ANNUAL REPORT 2017

Roularta Media Group

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Contents

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

2017: a pivotal year for Roularta

In September 2017, Roularta took the decision to sell its 50% stake in Medialaan and thus put an end to twenty years of cordial partnership with De Persgroep in the areas of television, radio and telecom. Roularta was a pioneer in television with the first Dutch-language family channel VTM and the other target group broadcasters of Medialaan, with the first regional broadcasters in Flanders and with the only national (business) channel Kanaal Z/Canal Z. With Medialaan, the first Dutch-speaking private radio stations Qmusic and Joe were also launched, and the distribution platform Stievie and virtual network operator Mobile Vikings were developed.

The decision to say goodbye to Medialaan is the result of a strategic exercise that takes into account the changes in the media world. Medialaan with De Persgroep will have all the trump cards needed to play a major role in the digital future.

Roularta is choosing to focus on its core business: strong brands, which they can further develop in print and digital formats, for communities of subscribers and readers who rely on relevant information, and for advertisers who wish to communicate specifically with interesting target groups in a quality environment. Roularta has all the resources needed for this in house: a team of top journalists and an editorial network that ensures exclusive top-level content.

ROULARTA FOCUSES ON FURTHER DIGITISATION

For years, Roularta has had its own IT department that has always developed in house all systems for the readership and advertising markets. Time and time again it proved to be more rational and efficient to develop the software ourselves than to make the links to a purchased package. During the course of 2017, continued investments were made in people and resources to improve the websites, the e-commerce platform Storesquare and Roularta Digital. A specialised in-house team provides diverse e-marketing services, multimedia campaigns with print, television and digital, native advertising, and so on.

ROULARTA MAKES CLEAR CHOICES IN THE FIELD OF LOCAL MEDIA

Each week on Wednesday, the free weekly *Deze Week* is delivered to homes in all cities and municipalities in Dutch-speaking Belgium without exception: 100% coverage/more than 2 million readers.

Each week on Sunday morning, the free weekly *De Zondag* is distributed to all cities and municipalities throughout Dutch-speaking Belgium via a network of bakeries and others: more than 1.5 million readers.

Each month, the free lifestyle magazine *Steps* is distributed throughout Dutch-speaking Belgium to interested shoppers through a unique network of boutiques, trendy shops, bistros, brasseries and restaurants.

ROULARTA OPTS FOR EXPANSION IN THE WORLD OF QUALITY MAGAZINES

For each type of publication, Roularta publishes both a Dutch-language and a French-language quality magazine for the Belgian market.

The weekly news magazines *Knack, Le Vif/L'Express, Trends, Trends-Tendances* and *Sport/Voetbalmagazine, Sport/Foot Magazine* all have no competition in their domain and together reach 1.4 million readers, mainly through subscriptions.

By June 2018, Roularta plans to expand its portfolio to include the weekly magazines *Libelle/Femmes d'Aujourd'hui* and *Flair* (in Dutch and French). These, together with the monthly magazine *Feeling/GAEL* and the weekly magazine *Knack Weekend/Le Vif Weekend* (which forms part of the *Knack/Vif* package), result in a unique combination for each campaign that aims to reach female target groups.

Roularta also continues to grow through acquisitions that fit well with the Group's specialties. In 2017, Belgian *Nest* received a Dutch counterpart *Landleven*. Again in 2017, a boost was given to the business sector with *STERCK*.

ROULARTA LOOKS TO THE DUTCH MARKET

In the Netherlands, Roularta has been active with *Plus Magazine* for 25 years (in a joint venture with the French group Bayard) and now *Landleven* (100% Roularta) is being added. The Group's solid local structure (with editorial staff, marketing and advertising production) has the potential to grow.

ROULARTA EXCELS IN QUALITY PRINTING

The recent deals have given Roularta Printing very good prospects. During the course of 2018, almost all Belgian weeklies will be printed in Roeselare – the news magazines, the TV magazines, the women's magazines – and from 2019, a number of major Dutch periodicals will be added to this. The print shop has a unique, recently renovated infrastructure for printing, finishing and mailing, and produces the most beautiful magazines for the Belgian, French and Dutch markets in an ecologically responsible manner. For the weekly multi-million print runs of Roularta Local Media (*Deze Week, De Zondag* and *Steps*), 100% recycled paper is used. The unique combination of own orders and major long-term contracts for foreign clients ensure that the shop will be running at 100% of capacity.

Important events

2017 was another year of major and lightning-fast changes in the media sector. We can even talk of a turning point in the world of advertisements. More and more international technology giants are absorbing the advertising budgets. In a number of countries, these companies have already grown into the largest medium for advertisements. And this will prove true for Belgium as well in 2018 or 2019.

In the area of digital advertising, the so-called tech giants became dominant in 2017. For Belgium and surrounding countries, they control 70% of digital advertising budgets. 90% of the growth of digital advertising goes to these technology companies.

CRITIQUE OF TECHNOLOGY COMPANIES FOR THE FIRST TIME

In 2017, however, advertisers were critical for the first time of the reporting and the methods used by the technology giants. Some large advertisers, such as Unilever and Procter & Gamble, have suspended or even stopped their campaigns.

What is this criticism on the part of advertisers? To begin with, the results of such advertising campaigns are not measured objectively. There is also no guarantee that large technology companies will place the advertisements in a correct and appropriate context. Moreover, the tech giants are unable to provide any certainty about the accuracy of the information that appears on their platforms. Thus you have the notorious phenomenon of fake news. Finally, there is no guarantee about the quality of the traffic: is it real or generated by robots?

Advertisers are very sensitive to all of these side effects. So, perhaps the wind is starting to shift, but until further notice, the power grab on the part of the tech giants is having a major impact. This applies to Roularta as well as to the other Belgian media companies.

This translated into a 7.1% decline in revenue for 2017, mainly due to the decline in advertising revenue. Television too took a hit last year. The only positive outliers, also at Roularta, were radio and online advertising: growth was recorded for both.

At the same time, on the readership market – and especially with respect to subscriptions – we were able to hold our own in 2017. We are, however, seeing an evolution in the method of recruiting subscriptions. The classic mailing is having a harder time, while recruitment via telephone and online channels is increasing.

So there was good news concerning the readership market, but reduced advertising revenue had an impact on the profit of Roularta. Diverse depreciations also contributed to this decrease. In addition – fortunately – many important investments were also made that affected the bottom line. We invested in software, we invested in Storesquare (via a capital increase of 5 million euros to which all shareholders subscribed) and in digital marketing solutions, we invested in the print shop, and so on. All of this inevitably weighed on Roularta's profit in 2017.

MEDIALAAN AND MEDIAFIN

But 2017 was above all a pivotal year for Roularta. We sold our stake in Medialaan to De Persgroep. And acquired their 50% share in Mediafin. Mediafin is the publisher of high-quality media such as *De Tijd* and *L'Echo*, which have top journalism as their priority.

This large-scale operation deserves further explanation.

Medialaan is also preparing its digital future at the moment. This future is based mainly on the sale of advertisements to a wide audience, through all possible channels: video platforms, news platforms, TV, but also print. Because we reach more specific target groups with our high-quality media, we are able to contribute little to the digital future as envisioned by Medialaan.

De Persgroep, on the other hand, does serve a wider audience, just like Medialaan: think of *Hln.be*, *Het Laatste Nieuws*, *Dag Allemaal*, and so on. In other words: the match between De Persgroep and Medialaan makes sense. While, on the other hand, Mediafin fits perfectly with Roularta because Mediafin, like us, targets higher quality target groups.

VALUES, VISION, MISSION

As a result of these radical changes, we have adapted the values, mission and vision of Roularta.

Our five values are:
1) Passion for the media consumer, and the rest will follow.
2) Go for brand and quality.
3) Strive for value, innovation and growth.
4) Consider each challenge as an opportunity.
5) One Team, One Family.

Our vision goes like this: "Roularta Media Group aims to remain the most relevant media partner for the long term."

And our mission is: "As a multimedia company, Roularta Media Group creates and distributes quality, independent and relevant content for the general public and for specific target groups. It links to this advanced marketing and advertising platforms for its partners. Roularta Media Group aims to create sustainable added value for its stakeholders and for all of society."

CHALLENGES AND OPPORTUNITIES

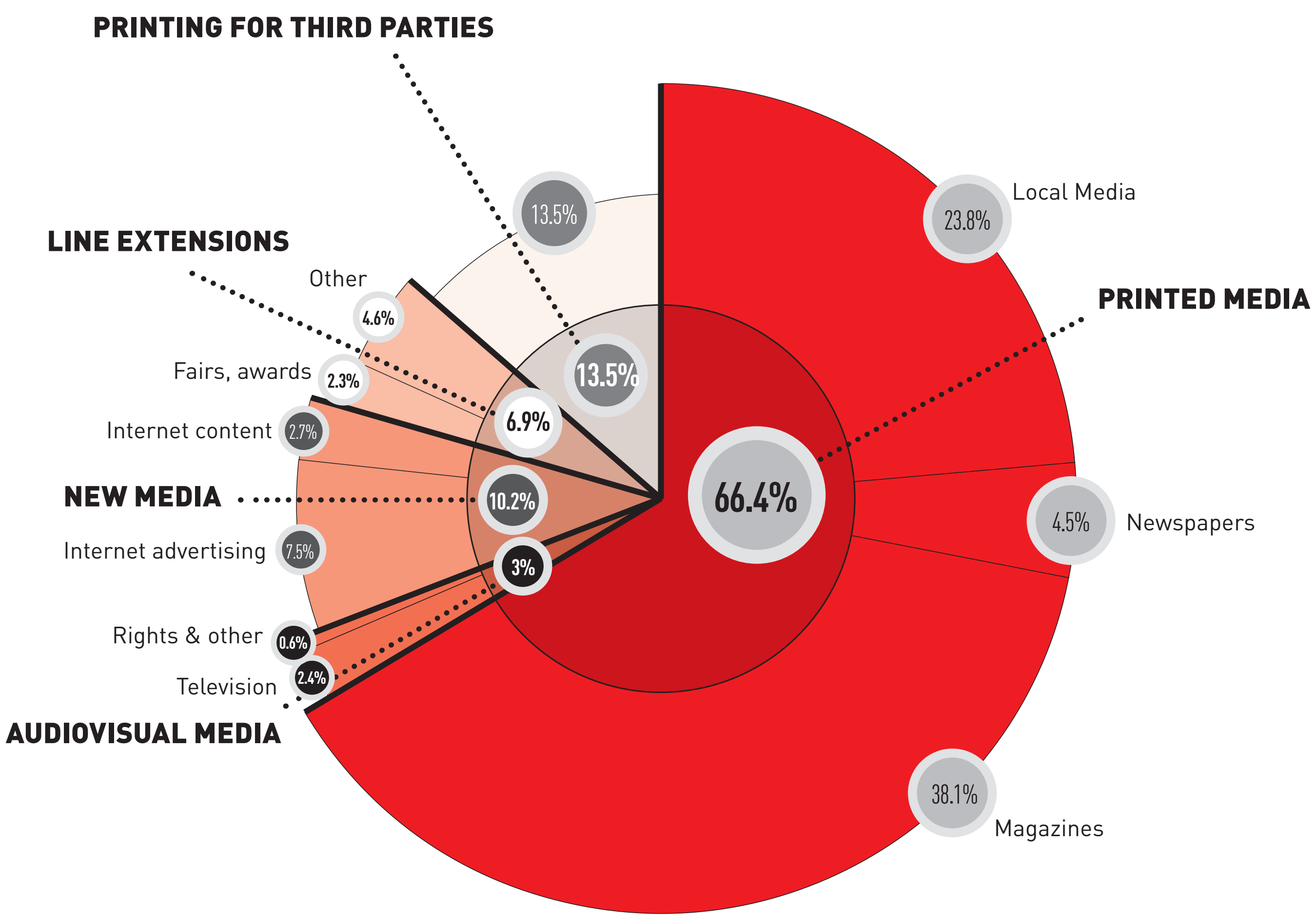
What does this challenging context mean for Roularta in 2017 and 2018? In fact, a lot of positive news. Challenges also bring with them many opportunities and possibilities. We list a few of them here.

- In mid-2017, we acquired STERCK, a multichannel content marketing platform for local entrepreneurs that mainly organises numerous network events. STERCK exceeded expectations last year and grew strongly compared to 2016. We are also counting on significant growth for 2018.
- In the autumn, we acquired the Dutch monthly magazine *Landleven*. *Landleven* is a strong multimedia brand with 100,000 subscribers – people who enjoy the outdoors and nature. *Landleven* also had a good year and the prospects for 2018 are favourable.
- Mediafin, the publisher of *De Tijd/L'Echo*, *De Belegger* and *Sabato*, performed well in 2017. It is therefore the exception to the rule in the Belgian media market. For 2018, we expect similar performance from Mediafin.
- With respect to advertising, we are still able to make a difference. We note that our creative campaigns are very popular with advertisers. We are referring here to cross-media campaigns, native advertising, marketing campaigns tailored to our customers, and so on. The big technology companies are unable to handle such campaigns. Moreover, we still know our customers better than they do. These are strong advantages that we wish to capitalise on in full.
- We wish to experiment even more in the readership market. To take more risks. Two years ago, we introduced the +zone on our news sites, which has been a great success. The +zone provides us with many new registrations and subscriptions.
- In 2018, we will be experimenting with personalising our surfers' experience. A good illustration of this is KWestie in the *Krant van West-Vlaanderen*. KWestie makes it possible for each reader to compile his or her own online version of *Krant van West-Vlaanderen*. We are convinced that this is a good way to attract new readers.
- We will also continue to invest in digital initiatives in 2018: initially in Roularta Digital, our platform for local digital marketing solutions, and in the Storesquare e-commerce platform. The latter recently welcomed a new shareholder, namely ING. Moreover, in December, Storesquare exceeded one million visitors and achieved record revenues. Storesquare is undoubtedly on the right track, but will not yet be profitable in 2018. This is a mega-project that requires a certain amount of time.
- We also continue to believe and invest in the print shop. We already print *The Economist* and other leading international magazines, and now *Humo*, *Story* and the Gezinsbond magazine are being added, to mention just a few. And we expect other new orders in 2018. Some publishers in Belgium and the countries surrounding us are no longer investing in their own print shop. This gives us fantastic opportunities.
- In 2017 we started the Customer Journey, a project to maximise customer satisfaction by putting the customer first in our organisation. We set up working groups last year – a working group that focused on the readership market and a working group that focused on the advertising market. The results of their work and thus of the entire Customer Journey project will become more concrete in 2018. At the end of 2017, one thing had already been realised: the brand new reception area in Roeselare.
- And, last but not least, on 15 January Roularta made a binding bid for the Belgian Sanoma titles, with the exception of the home magazines. The package includes the weeklies *Libelle/Femmes d'Aujourd'hui* (CIM 245,504 copies) and *Flair* Dutch/French (CIM 74,222 copies), the monthlies *Feeling/GAEL* (CIM 69,132 copies) and the magazines *La Maison Victor, Communiekrant, Loving You* and *She Deals*. The websites (including Flair.be and Libelle.be with 804,135 and 600,841 real users/month respectively according to CIM), line extensions and social media channels of these titles are also included in the bid. Total revenue amounts to approximately 78 million euros. The (offline/online) target groups of these media brands are pronouncedly female and therefore make a nice addition to the existing high-quality target groups that are reached through Roularta's present magazine brands (*Knack, Le Vif/L'Express, Trends, Sport/Voetbalmagazine, Nest, Plus Magazine*, and more). In connection with this important transaction with Sanoma, Roularta is selling the titles *Ik ga Bouwen & Renoveren/Je vais Construire & Rénover* to Sanoma. These titles fit better with Sanoma's portfolio of home and decoration magazines. With this consolidation and thanks to the synergy with the magazine brands of the group, Roularta aims to ensure the continuity and multimedia growth of these titles.

CONCLUSION

For 2018 and the coming years we will be looking for new opportunities and possibilities to strengthen Roularta's market position. The bid on the Sanoma titles is in any case an extraordinary opportunity. Thanks to the Medialaan transaction, Roularta will be debt-free this year and we have a strong balance sheet. Roularta is therefore ready to take on the challenges of 2018.

286.4 million euros sales [*]



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

STATEMENT ON NON-FINANCIAL INFORMATION

A word from the CEO

For more than two decades, Roularta Media Group has been committed to sustainable and eco-efficient entrepreneurship.

The aim of sustainable and socially responsible entrepreneurship is to achieve a harmonious balance between three pillars: People, Planet and Profit.

Customers and our stakeholders in general attach increasing importance to transparency about the origin of our products and services, as well as the extent to which a company deals eco-efficiently with raw materials and energy.

The social dimension is also gaining in importance. Committed and involved employees and independent contractors take more initiative, allowing us to realise our objectives together with them.

Good communication about the efforts and achievements of our company in the area of sustainable and socially responsible entrepreneurship is a must in a competitive market.

In this annual report, we briefly discuss our efforts and achievements in the field of corporate social responsibility. For our detailed sustainability report, we refer you to our corporate website.

Xavier Bouckaert
CEO Roularta Media Group

Mission, vision and values

MISSION

"As a multimedia company, Roularta Media Group creates and distributes quality, independent and relevant content for the general public and for specific target groups. It links to this advanced marketing and advertising platforms for its partners. Roularta Media Group aims to create sustainable added value for its stakeholders and for all of society."

VISION

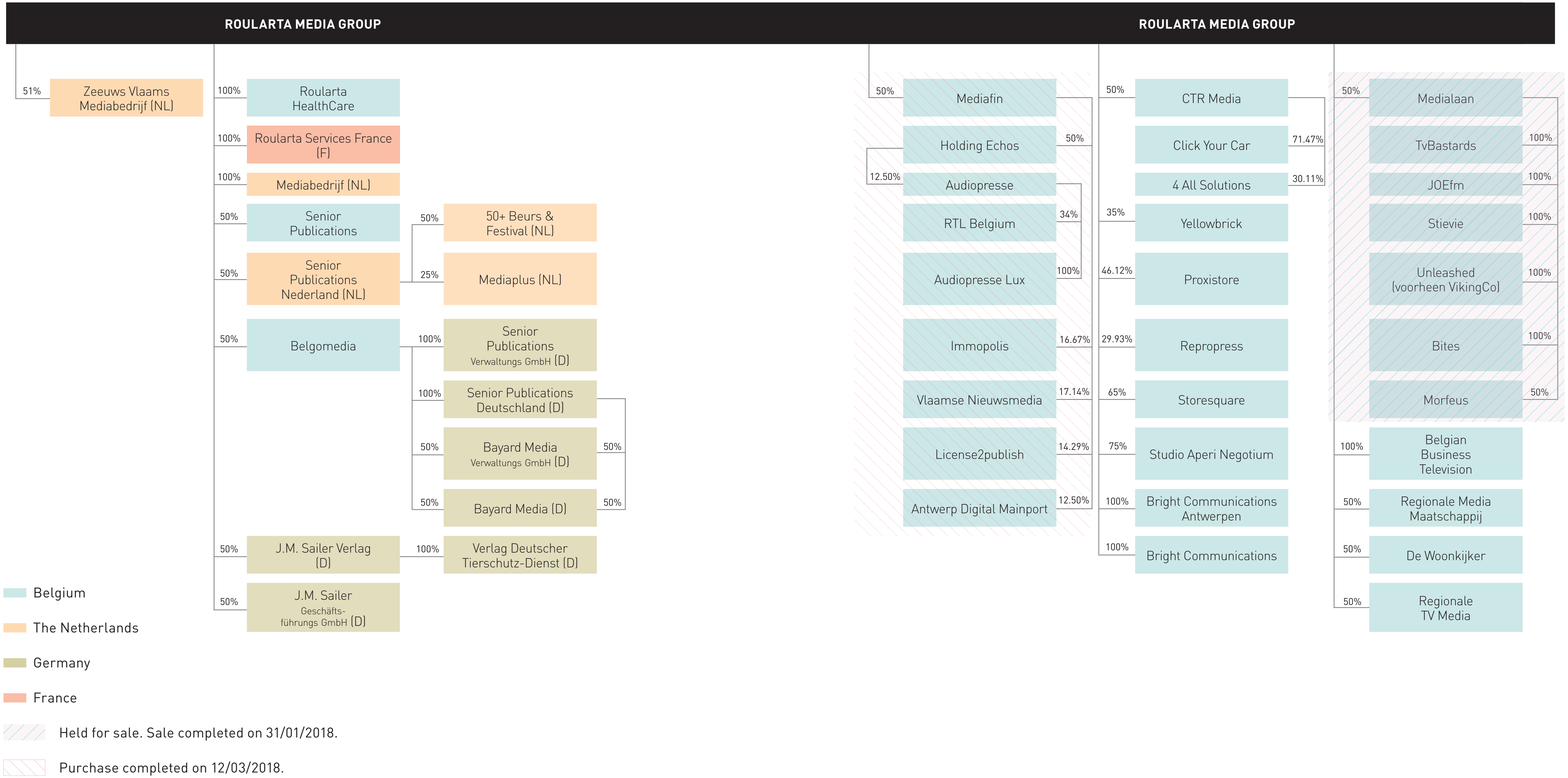
"Roularta Media Group aims to remain the most relevant media partner for the long term."

VALUES

- Passion for the media consumer, and the rest will follow.
- Go for brand and quality.
- Strive for value, innovation and growth.
- Consider each challenge as an opportunity.
- One Team, One Family.

Brands

Roularta Media Group is a Belgian multimedia company with 1,395 employees and a combined turnover of 286.4 million euros. Roularta is active in Belgium, the Netherlands and Germany. It is a diversified company with unique news, business, sports, lifestyle and special interest magazines, newspapers, free magazines, newsletters, websites, television, events and an e-commerce platform. Roularta strives for complementarity and balance between free magazines and magazines, between traditional and new media, between print media and audiovisual media.



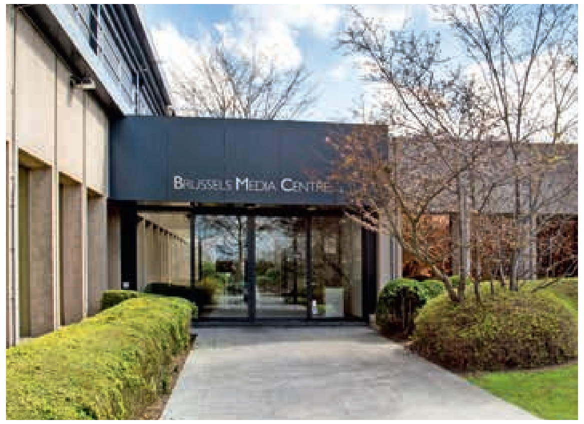
Group structure*

*Excluding dormant companies (= not trading or in liquidation)

Offices

HEAD OFFICE ROULARTA MEDIA GROUP
Meiboomlaan 33, 8800 Roeselare

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



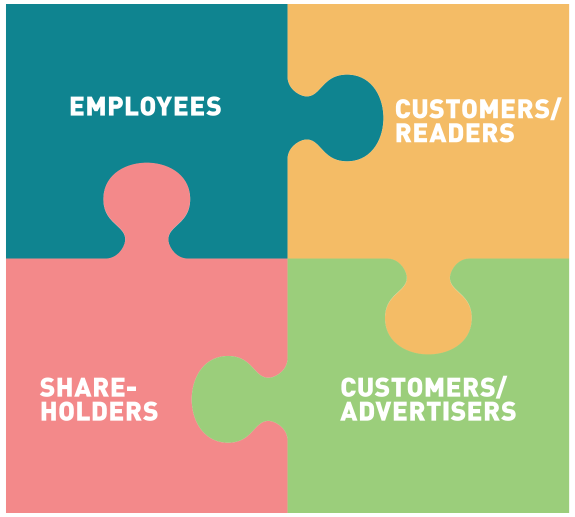
MEDIAFIN
Tour & Taxis, Havenlaan 86C box 309, 1000 Brussels

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

Active countries

Stakeholders

Goals can only be achieved with good cooperation on the part of all stakeholders. They each in their own way are influenced by our activities or products, or build on them. For us they are all important.



The special attention that Roularta Media Group devotes to its stakeholders can be illustrated by means of the 'Customer Journey'.

In 2017, Roularta Media Group, with its 'Customer Journey' project, put the customer at the heart of the company's entire operation under the motto **together we aim not for 'good' or 'better', but for 'best'.**

In a first phase, the focus is on 2 types of customers: the reader and the advertiser. Different 'customer journeys' are developed for each type of customer. During a customer journey, an analysis is made of the operation of the organisation from the customer's point of view.

FOCUS ON QUALITY CONTENT FOR THE READER

In the media landscape, Roularta Media Group is known for its quality content. With the 'Customer Journey', Roularta Media Group wants to significantly increase the level of service it provides to its readers. Readers potentially have many questions that they want to see answered quickly and correctly. Under the impetus of the 'Customer Journey', the internal work processes are adapted to achieve this goal. Transparent and clear communication with the reader are the building blocks to achieve the desired level of service and to increase customer satisfaction.

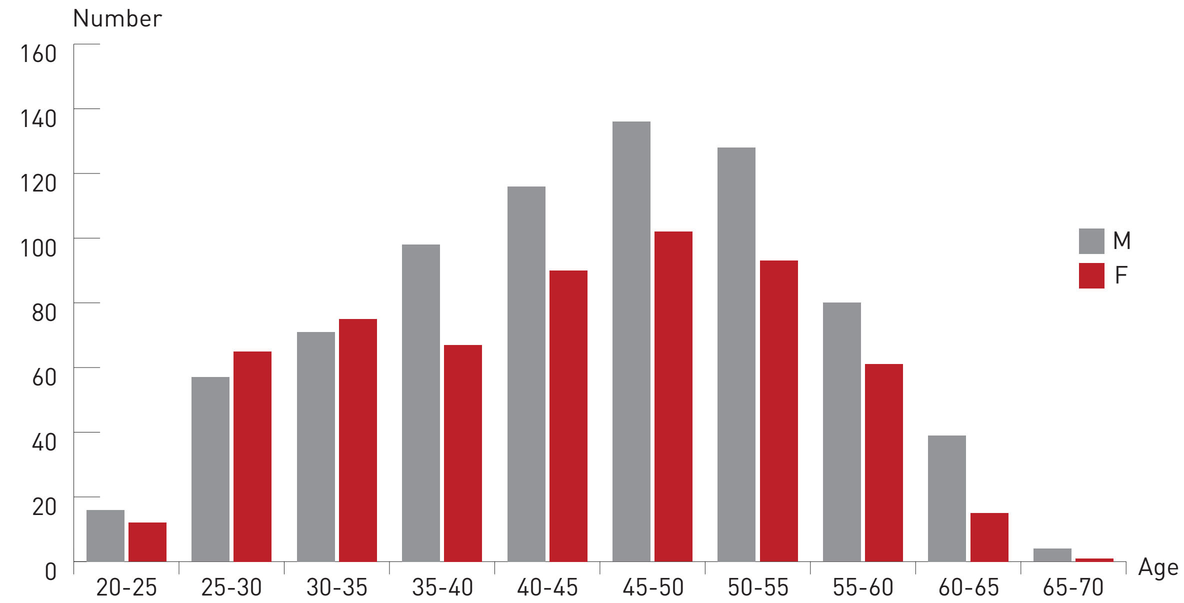
THE BEST MEDIA PARTNER FOR ADVERTISERS

Roularta Media Group has for many years succeeded in offering custom multimedia solutions to advertisers. The many possibilities sometimes make it very complex for the customer to make the right choices. The 'Customer Journey' therefore aims to put the advertiser at the centre and to offer the right media solution to customers based on their desires and wishes.

Personnel

Roularta Media Group focuses on human capital, employees and freelance professionals.

On 31/12/2017, Roularta Media Group (Roularta Media Group and its 100% subsidiaries) was home to 1,326 permanent employees – 745 men and 581 women – in diverse age categories.



Sustainable entrepreneurship

ENVIRONMENT

Roularta Media Group has been striving for years to use the best available and most efficient techniques in its production process. The various measures that are taken with regard to eco-investments are concentrated mainly in the print shop environment at the head office in Roeselare.

Energy

Energy in the production environment

Energy is and remains an important factor in the production process. Thanks to numerous interventions, Roularta Media Group has already realised significant reductions in the use of gas and electricity and thus also in the area of CO_2 emissions.

In 2016, Roularta Media Group was the only graphics company to become party to the Flemish Government's Energy Policy Covenant (EBO) 2015-2020. The EBO is the successor to the energy benchmark and audit covenant. In the framework of the EBO, in addition to an energy plan and the associated reporting, an energy management system must also be put in place. In the context of organising this energy management system, it was decided to start the process for an ISO 50001 certification with the aim of achieving certification in 2018. It also extends the scope from the print shop activities to the entire Roeselare site. Thus all employees at this site are involved in the project.

Energy in office environments

In recent years, good results in the area of energy efficiency have been realised through the introduction of diverse measures in the office environments. Some examples:

- In the context of renewing the environmental permit for the Brussels Media Centre site in Haren, a **heating audit** was conducted.
- Agreements were made to **properly ventilate** the offices on hot days **in combination with the air conditioning**. The windows are opened until no later than 9 am to allow fresh air to enter, after which they are closed so that the air conditioning system is not required to compensate for the extra incoming heat.
- For new installations, **detectors** are provided that automatically switch the lights on and off.
- Traditional lamps have been replaced by **LED lighting or other more energy-efficient types**. In 2017, the entire Brussels Media Centre switched to LED lighting. And in 2018, the site in Zellik will also be switching fully to LED lighting.
- At the end of 2016, the **central data storage system** was switched to **SSD technology** which leads to a **substantial reduction in electricity use**.
- For **laptops**, the focus was on new, **more energy-efficient models.**

Water

Water is an important and costly raw material in the world and in the production process. The aim thus is to be as economical as possible with its use. In recent years, various interventions took place in the production process, as a result of which the consumption of mains water declined systematically.

The cooling installation was converted to reuse a part of the cooling water in the production environment. This has allowed us to save more than 7,000 m³ of water per year.

Paper

Paper is the basic raw material for printing newspapers and magazines. We purchase an average of 70 to 75,000 tonnes of paper per year. All paper is chlorine-free (100% TCF).

Roularta obtained both FSC and PEFC 'chain of custody' certification in 2009. The certificate is awarded for periods of 5 years. In 2014, we passed an audit conducted by an independent monitoring body, allowing us to renew our certificates.

In order to obtain the certificates, we had to demonstrate that we were able to organise a chain of custody in the company. The chain of custody is a reliable system for tracking certified wood flows, step by step, from tree management to the finished products. This is a closed chain, which means that each link must have a chain of custody certificate (which is verified annually by an independent certification body). Only then may the product carry the PEFC label and does the end user receive the assurance that the product comes from sustainably managed forests.

By obtaining the certificates, Roularta Printing is able to purchase, process and sell certified paper with the FSC or PEFC label.

The PEFC and FSC certificates guarantee responsible forest management.

FSC® PEFC™

PEFC (Programme for the Endorsement of Forest Certification Schemes) is a forest certification system that was established in Europe in 1999. Products with the PEFC logo are guaranteed to come from responsibly managed forests. In concrete terms, this means forest management that is economically viable, environmentally friendly as well as socially beneficial. The PEFC label guarantees consumers that the product they buy comes from sustainably managed forests.

- **Ecologically:**
  Harvesting a tree = replanting a tree.
  Preserving biodiversity in the forest.
- **Socially:**
  Respecting the rights of people who live from and in the forest.
  Foreseeing strict safety requirements for forest workers.
- **Economically:**
  Paying forest managers a fair price for their timber.
  Stimulating the local economy.

PEFC Belgium, the non-profit association that promotes the PEFC label in our country, has published a 'Guide to PEFC-certified companies'. This guide contains the details of all companies that are allowed to produce and sell products with the PEFC label. Our print shop is in the list (under 'Roularta Printing').

Complete information about PEFC and the guide can be found at **www.pefc.be.**

(Source: PEFC Belgium)

The FSC (Forest Stewardship Council) also promotes ecologically suitable, socially correct and economically viable forest management of forests worldwide. It has set the bar very high. The FSC is an international organisation that was founded in 1993. It sets global standards for forest management, with a quality mark attached to compliance.

The FSC has also published a guide for FSC-certified companies, in which you will find our print shop (Roularta Printing).

Complete information about the FSC and the guide can be found at **www.fsc.be.**

Ink, additives and solvents

As with paper, the efficient use of ink, additives and solvents in the production process is always a priority.

- Approximately 1,500,000 kg of ink is consumed each year on average. We constantly strive for the minimum use of ink, without sacrificing quality.
- In addition to ink, there are also the cleaning agents (about 45,000 litres per year) and the dampening additives. We use approximately 170,000 litres of dampening additives per year. In recent years, much effort has been made to reduce the use of isopropyl alcohol (IPA). Its use has dropped by 40% since 2008.

Fully alcohol-free printing is not feasible since it compromises the quality.

Packaging

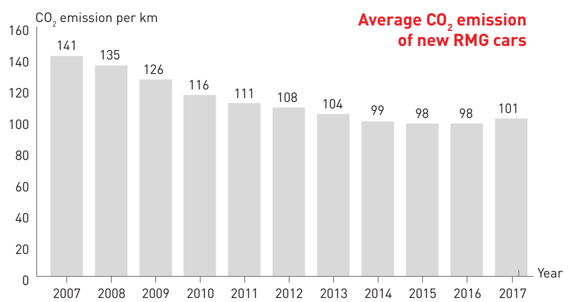
Each company producing a certain volume of packaging waste is obliged to submit a three-yearly prevention plan to the Interregional Packaging Commission. Companies can submit their own plan or register via a sector federation. In 2016, Roularta once again subscribed to the Febelgra/Fedustria sector plan. Specific points of attention are regularly addressed, resulting in substantial accomplishments with respect to ecology.

Mobility

Mobility is becoming increasingly important in business. This aspect also deserves our eco-attention.
Initiatives supporting bicycling, carpooling and free train use are offered to personnel and promoted by the company. In recent years, Roularta Media Group started a Blue-bike bicycle sharing service.

We also aim for an eco-efficient purchasing policy with regard to our vehicle fleet. This has resulted in a constant decrease in average CO_2 emissions from our company cars. Since 2014, CO_2 emissions have remained more or less stable.

In 2017, the company opted to include petrol-hybrid vehicles in the selection of company cars. Such vehicles will be present for the first time in the Roularta Media Group fleet in 2018.



SOCIAL AND PERSONNEL MATTERS

One Team, One Family

Our employees are the great strength and driving force behind everything the company realises. We therefore strive for sustainable interaction with our personnel. We want to spark their energy, capabilities, competences, talents, commitment and dedication. The big ambition is to also ensure that they are able to continuously renew themselves at Roularta Media Group.
We work here as one team, as one big family, in which everyone has their own, specific and important place. Hence our slogan 'One Team, One Family'.

Training, information and documentation

Ongoing attention is paid to the personal development of all employees. To this end, we provide much training each year, both in-house and external.

We also regularly organise no-obligation evening information sessions on general topics, especially in the area of health. Past topics have included nutrition, burn-out, sleep, ...

Speakers' Corners and Academies are also organised at the various sites in which departments present themselves and new initiatives.

Sports and nutrition

The company set up a Sports Committee a decade ago. Originally, this committee organised initiation lessons in various sports in order to allow employees to sample a sport unknown to them. From 2013, the Sports Committee went a step further and also organised moments for relaxation and social interaction among colleagues in workshops on flower arranging or colour analysis. In addition, the Sports Committee is also responsible for organising diverse presentations on current health issues such as sleep, nutrition, ...

The social role of Roularta Media Group

Roulactief

For employees, Roularta Media Group has developed 'Roulactief'. Roulactief obtains the resources for its work from activities and from contributions from employees.

Roulactief organises numerous activities each year. We look for activities that appeal to employees. Examples of such activities that take place each year are the New Year's reception, the Saint Luke party (staff party, named after St. Luke, the patron saint of printers and the graphic industry), St. Nicholas day and the St. Nicholas party, excursions to a specific region, a museum visit,...

In addition, Roulactief is also a solidarity fund. In the case of special events or emergency situations, support can be given via campaigns or the Roulactief 'cash desk'. Finally, Roulactief donates to the senior citizen activities of the company.

We also fulfil a social, non-company-related role by investing in talent, culture and new initiatives.

For example, Roularta Media Group is one of the founding partners of 'A Heart for West Flanders', dedicated to vulnerable young people up to 18 years of age.

'A Heart for West Flanders' supports various initiatives by associations or organisations (non-profits, voluntary activities, community or parent committees, etc.) that focus on socially vulnerable children and young people in their neighbourhood, district or city. The focus here is on projects that – sometimes quite locally – can make a difference and that can also be a lever for broader initiatives that create new opportunities for this vulnerable target group. 'A Heart for West Flanders' is an initiative of the West Flanders Regional Fund in collaboration with Roularta Media Group, regional television channels Focus & WTV, the publications *Krant van West-Vlaanderen, Deze Week/De Zondag*, and with the support of the Province of West Flanders.

Roularta in the graphic and media sector
Roularta aims to continue to play a major role in the graphic and industrial world. We also defend the interests of the sector through various channels and through our membership in numerous associations (Council for Journalism, the Belgian association for the periodical press The Ppress, the Belgian federation for the graphic industry Febelgra, ...).

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

Nine start-ups were selected who were supported and guided by RMG. Support by RMG includes funding and media for equity, housing and infrastructure, access to data, technology, know-how and mentorship.

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

The Roularta Media Group Share

CAPITAL AND SHARES

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

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

Purchase of own shares

In the course of the financial year 2017, the company did not purchase any own shares on the basis of the statutory authorisation of the board of directors.
On 31 December 2017 the company has 603,635 of its own shares in portfolio, representing 4.593% of the registered capital.

Shareholding structure

The shareholding structure is as follows:

	Number of shares	%
Koinon Comm.VA [1]	7,489,665	56.994%
S.A. West Investment Holding [1]	2,022,136	15.388%
Bestinver Gestión S.G.I.I.C. S.A.	998,725	7.600%
Capfi Delen Asset Management NV	439,200	3.342%
Own shares	603,635	4.593%
Individual and institutional investors	1,587,762	12.082%

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

9,398,088 of the total number of outstanding shares are nominative.

Takeover Bid law

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

STOCK MARKET TREND

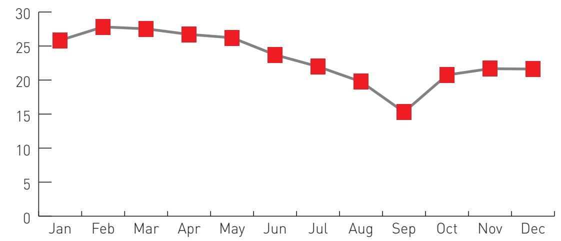
Roularta Media Group's shares are listed on Euronext Brussels under the section Media - Publishing, ISIN Code BE0003741551 and Mnemo ROU.

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

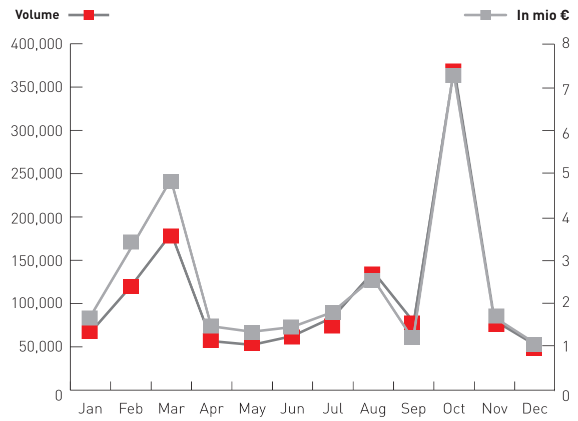
Volumes and closing prices in 2017

Month	Average closing price	Volumes	in EUR millions
Jan 17	25.841	66,719	1.74
Feb 17	27.812	119,947	3.34
Mar 17	27.528	180,821	4.97
Apr 17	26.711	56,625	1.52
May 17	26.216	52,300	1.39
Jun 17	23.714	62,484	1.50
Jul 17	21.978	84,161	1.85
Aug 17	19.760	136,824	2.65
Sep 17	15.296	78,596	1.21
Oct 17	20.748	371,517	7.50
Nov 17	21.673	80,338	1.74
Dec 17	21.620	52,421	1.13
		1,342,753	30.54

Average closing price - 2017



Volumes and figures in EUR millions - 2017



The highest price during 2017 was EUR 28.950 on 22 February.
The lowest price during 2017 was EUR 14.300 on 28 September.
The largest daily trading volume was 99,301 shares on 2 October 2017.

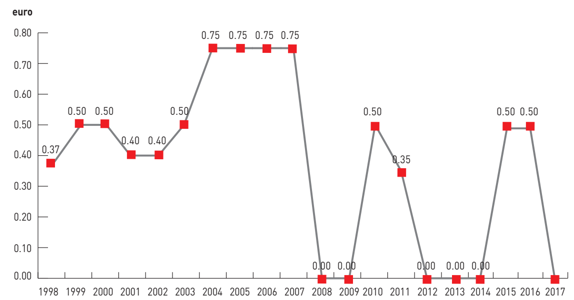
Liquidity of the share

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

Dividend policy

The general assembly pursues – as advised by the executive board – a policy which tries to pay out a dividend, whilst keeping a close watch on preserving the healthy balance between a distribution of dividends and the investment possibilities.

Gross dividend



THE COMPANY'S CAPITAL

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

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

Analysts who follow the Roularta share:

- Bank Degroof Petercam — Michael Roeg — m.roeg@degroofpetercam.com
- KBC Securities — Ruben Devos — ruben.devos@kbcsecurities.be
- Merodis Equity Research — Arnaud W. Goossens — ago@merodis.com

Consolidated key figures

Income statement	in thousands of euros	2013 (*) restated	2014	2015	2016 (**) restated	2017	Trend
Sales		**305,209**	**299,569**	**290,226**	**276,464**	**256,768**	**-7.1%**
EBITDA [1]		**29,695**	**34,871**	**33,598**	**16,930**	**1,927**	**-88.6%**
	EBITDA - margin	*9.7%*	*11.6%*	*11.6%*	*6.1%*	*0.8%*	
EBIT [2]		**15,116**	**21,930**	**31,363**	**7,412**	**-12,035**	**-262.4%**
	EBIT - margin	*5.0%*	*7.3%*	*10.8%*	*2.7%*	*-4.7%*	
Net finance costs		-7,262	-6,728	-5,441	-4,687	-4,858	4%
Operating result after net finance costs		**7,854**	**15,202**	**25,922**	**2,725**	**-16,893**	**-720%**
Income taxes		1,924	-2,492	46,089	72	-14,578	
Net result from continuing operations		**9,778**	**12,710**	**72,011**	**2,797**	**-31,471**	**-1,225%**
Result from discontinued operations		**-68,268**	**-155,237**	**-7,770**	**17,475**	**18,510**	**6%**
Attributable to minority interests		-581	-50	-127	-1,201	-2,030	-69%
Attributable to equity holders of RMG		**-57,909**	**-142,477**	**64,368**	**21,473**	**-10,931**	**-151%**
Net result attributable to equity holders of RMG - margin		***-19.0%***	***-47.6%***	***22.2%***	***7.8%***	***-4.3%***	

Balance sheet	in thousands of euros	2013 (***) restated	2014	2015	2016	2017	Trend
Non-current assets		585,039	271,778	319,007	307,445	166,259	-45.9%
Current assets		200,827	261,376	130,674	135,756	250,849	+84.8%
Balance sheet total		785,866	533,154	449,681	443,201	417,108	-5.9%
Equity - Group's share		287,053	143,277	207,649	222,293	202,999	-8.7%
Equity - minority interests		11,415	2,475	1,868	1,762	1,906	+8.2%
Liabilities		487,398	387,402	240,164	219,146	212,203	-3.2%
Liquidity [3]		0.9	1.2	1.1	1.4	1.3	-7.1%
Solvency [4]		38.0%	27.3%	46.6%	50.6%	49.1%	-3.0%
Net financial debt		80,423	82,027	75,680	57,443	62,552	+8.9%
Gearing [5]		26.9%	56.3%	36.1%	25.6%	30.5%	+19.1%

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

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

Highlights per share (1)

Description	in euros	2013 (*) restated	2014	2015	2016 (**) restated	2017
Equity - Group's share		23.00	11.48	16.63	17.76	16.19
EBITDA		2.38	2.79	2.69	1.35	0.15
EBIT		1.21	1.76	2.51	0.59	-0.96
Net result RMG		-4.64	-11.41	5.16	1.72	-0.87
Net result RMG after dilution		-4.64	-11.41	5.14	1.70	-0.87
Gross dividend		0.00	0.00	0.50	0.50	0.00
Price/Earnings (P/E) [2]		**7.32**	**7.87**	**10.12**	**15.01**	**13.57**
Number of shares at 31/12		13,141,123	13,141,123	13,141,123	13,141,123	13,141,123
Weighted average number of shares		12,483,273	12,483,273	12,486,031	12,515,767	12,534,766
Weighted average number of shares after dilution		12,483,273	12,483,273	12,517,300	12,611,966	12,609,509
Highest share price		14.50	14.30	25.10	26.93	28.95
Share price at year-end		10.77	12.25	24.50	24.32	21.95
Market capitalisation in million EUR at 31/12		141.53	160.98	321.96	319.59	288.45
Yearly volume in million EUR		7.98	6.00	25.90	25.66	30.54
Yearly volume in number		662,284	489,755	1,516,330	1,069,743	1,342,753

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

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

Key figures by division

	Printed Media					
in thousands of euros	2013 (*) restated	2014	2015	2016	2017	Trend
Sales	**327,992**	**319,491**	**308,130**	**295,220**	**277,682**	**-5.9%**
EBITDA (1)	**19,743**	**22,647**	**18,821**	**20,608**	**5,012**	**-75.7%**
EBITDA - margin	*6.0%*	*7.1%*	*6.1%*	*7.0%*	*1.8%*	
EBIT (2)	**4,858**	**8,612**	**16,281**	**10,640**	**-9,773**	**-191.9%**
EBIT - margin	*1.5%*	*2.7%*	*5.3%*	*3.6%*	*-3.5%*	
Net finance costs	-6,988	-6,438	-5,303	-4,582	-4,785	-4%
Operating result after net finance costs	**-2,130**	**2,174**	**10,978**	**6,058**	**-14,558**	**-340%**
Income taxes	551	-4,505	44,639	-786	-14,486	-1,743%
Net result from continuing operations	**-1,579**	**-2,331**	**55,617**	**5,272**	**-29,044**	**-651%**
Result from discontinued operations	**-68,269**	**-155,236**	**-7,770**	**0**	**0**	
Attributable to minority interests	-388	-50	-126	-1,200	-2,029	-69%
Attributable to equity holders of RMG	**-69,461**	**-157,517**	**47,973**	**6,472**	**-27,015**	**-517%**
Net result attributable to equity holders of RMG - margin	***-13.5%***	***-21.2%***	***15.6%***	***2.2%***	***-9.7%***	

	Audiovisual Media					
in thousands of euros	2013 (*) restated	2014	2015	2016 (**) restated	2017	Trend
Sales	**168,754**	**158,712**	**164,096**	**10,810**	**9,414**	**-12.9%**
EBITDA (1)	**24,895**	**29,455**	**31,944**	**-2,229**	**-2,134**	**+4.3%**
EBITDA - margin	*14.8%*	*18.6%*	*19.5%*	*-20.6%*	*-22.7%*	
EBIT (2)	**18,373**	**23,900**	**24,256**	**-2,394**	**-2,323**	**+3.0%**
EBIT - margin	*10.9%*	*15.1%*	*14.8%*	*-22.1%*	*-24.7%*	
Net finance costs	-326	-280	-16	-135	-109	19%
Operating result after net finance costs	**18,047**	**23,619**	**24,240**	**-2,529**	**-2,532**	**0%**
Income taxes	-6,688	-8,578	-7,846	53	5	-91%
Net result from continuing operations	**11,359**	**15,041**	**16,394**	**-2,476**	**-2,427**	**2%**
Result from discontinued operations				**17,475**	**18,510**	**6%**
Attributable to minority interests	-193	0	-1	-1	-1	0%
Attributable to equity holders of RMG	**11,552**	**15,041**	**16,395**	**15,000**	**16,084**	**7%**
Net result attributable to equity holders of RMG - margin	***6.8%***	***9.5%***	***10.0%***	***138.8%***	***170.9%***	

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

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

Board of Directors RMG

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

Executive Management Committee

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

Management team RMG

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

DECLARATION REGARDING THE INFORMATION GIVEN IN THIS 2017 ANNUAL REPORT

The undersigned declare that, to their knowledge:

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

Xavier Bouckaert, CEO | Jeroen Mouton, CFO

Annual report of the board of directors

to the ordinary general meeting of shareholders of 15 May 2018 concerning the consolidated financial statements for the period ended 31 December 2017.

Dear Shareholders,
This annual report should be read in conjunction with the audited financial statements of Roularta Media Group NV (hereinafter 'the Group') and the accompanying notes. These consolidated financial statements were approved by the board of directors on 9 April 2018. Roularta Media Group, with its registered offices at 8800 Roeselare, Meiboomlaan 33, has been listed on Euronext Brussels since 1998. Roularta Media Group operated in 2017 in the media business, in particular in magazines, newspapers, local media, radio and TV, internet, line extensions, exhibitions and graphic production. Roularta Media Group is organised into two divisions, Printed Media and Audiovisual Media. Each of these two divisions includes a wide range of activities, which are centralised in a number of different departments, depending on their purpose as a product or offered service. Roularta Media Group's Printed Media division distinguishes itself from its competitors with a number of strong brands like Deze Week, Knack, Trends and Le Vif/L'Express. In the audiovisual sector Roularta Media Group was in 2017 still the 50% owner of the shares of Medialaan, which operates in Belgium in radio (Qmusic and Joe) and television (VTM, Q2, VTMKZOOM, KADET and Vitaya). In early October, Roularta Media Group and De Persgroep reached an agreement on a combined transaction in which Roularta Media Group sells its stake in Medialaan to De Persgroep, and purchases De Persgroep's stake in Mediafin (newspapers *De Tijd/L'Echo*). Both transactions required approval by the Belgian competition authority. At the end of January 2018, after approval by the Belgian competition authority, the participation in Medialaan was sold. After the green light from the Belgian competition authority in early March 2018, the purchase of the Mediafin stake could also be completed.

COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the IASB's International Financial Reporting Interpretation Committee (IFRIC), which have been ratified by the European Commission. The consolidated financial statements give a general overview of the Group's activities and the results obtained. They give a true and fair view of the entity's financial position, financial performance and cash flows, and have been prepared on the assumption that continuity is guaranteed.

MAIN CHANGES IN THE GROUP DURING THE 2017 FINANCIAL YEAR

First semester of 2017:

- In March 2017, a capital increase of € 5 million took place in Storesquare NV, for which Roularta Media Group subscribed for € 3.6 million, bringing the participation to 71.2%. In December 2017, Roularta Media Group sold 6.2% of its shares in Storesquare to ING, resulting in a Roularta Media Group shareholding of 65%.
- In the board of directors of Roularta Media Group Mrs Coralie Claeys replaced from May 2017 on Mrs Caroline De Nolf as permanent representative of Verana NV.
- In June 2017, RMG increased its shareholdership from 56% to 75% in Studio Aperi Negotium. This company is responsible for the organisation and exploitation of the event 'Voka Open Bedrijven Dag'. The remaining 25% of the shares of Studio Aperi Negotium are held by Voka CVBA.
- In June 2017, RMG withdrew from the capital in the companies Twice Entertainment NV and Twice Technics BVBA, since these participations were no longer considered to be strategic.
- In June 2017, the company Press Partners BV, a 100% subsidiary of Senior Publications Nederland BV, was sold in full to the Bayard Group, the joint venture partner for Plus Magazine Netherlands. This sale had no significant effect on the results.

Second semester of 2017:

- At the beginning of July 2017, Roularta Media Group acquired the two companies around the STERCK brand. The companies Bright Communications and Bright Communications Antwerpen are active in B2B 360° marketing solutions for the local business community in the provinces of Antwerp and Limburg. Through the organisation of events and *STERCK* magazine, they reach out to the local business community.
- At the end of July 2017, Roularta Media Group bought out the first contracts that expired related to the Econocom lease.
- At the end of October 2017, Mediabedrijf BV (a 100% subsidiary of Roularta Media Group) acquired the Dutch magazine *'Landleven'*.
- In early October, Roularta Media Group and De Persgroep reached an agreement on a combined transaction in which Roularta Media Group sells its stake in Medialaan to De Persgroep, and purchases De Persgroep's stake in Mediafin (newspapers *De Tijd/L'Echo*).

KEY FINANCIAL DATA

Income statent	in thousands of euros	31/12/2017	31/12/2016	Trend
Sales		**256,768**	**276,464**	**-7.1%**
Adjusted sales [1]		***254,429***	***276,464***	***-8.0%***
EBITDA [2]		**1,927**	**16,930**	**-88.6%**
	EBITDA - margin	*0.8%*	*6.1%*	
EBIT [3]		**-12,035**	**7,412**	**-262.4%**
	EBIT - margin	*-4.7%*	*2.7%*	
Net finance costs		-4,858	-4,687	+4%
Operating result after net finance costs		**-16,893**	**2,725**	**-720%**
Income taxes		-14,578	72	
Net result from continuing operations		**-31,471**	**2,797**	**-1,225%**
Result from discontinued operations		**18,510**	**17,475**	**+6%**
Attributable to minority interests		-2,030	-1,201	-69%
Attributable to equity holders of RMG		**-10,931**	**21,473**	**-151%**
	Net result attributable to equity holders of RMG - margin	*-4.3%*	*7.8%*	

Balance sheet	in thousands of euros	31/12/2017	31/12/2016	Trend
Non-current assets		166,259	307,445	-45.9%
Current assets		250,849	135,756	+84.8%
Balance sheet total		417,108	443,201	-5.9%
Equity - Group's share		202,999	222,293	-8.7%
Equity - minority interests		1,906	1,762	+8.2%
Liabilities		212,203	219,146	-3.2%
Liquidity [4]		1.3	1.4	-7.1%
Solvency [5]		49.1%	50.6%	-3.0%
Net financial debt		62,552	57,443	+8.9%
Gearing [6]		30.5%	25.6%	+19.1%

(1) Adjusted sales = like-for-like, i.e. adjusted for changes in the consolidation scope.
(2) EBITDA = EBIT + depreciations, write-downs and provisions.
(3) EBIT = operating result, including the share in the result of associates and joint ventures.
(4) Liquidity = current assets / current liabilities.
(5) Solvency = equity (Group's share + minority interests) / balance sheet total.
(6) Gearing = net financial debt / equity (Group's share + minority interests).

CONSOLIDATED INCOME STATEMENT

Consolidated sales in 2017, which under IFRS 11 take no account of joint ventures, declined (-7.1%, from € 276.5 to € 256.8 million). Adjusted sales, i.e. revenue excluding 2017 acquisitions, decreased by 8.0%. Due to the declining trend in the market, advertising revenues from free newspapers fell by 9.3%. Advertising revenues from the magazines fell by 4.7%. Subscription revenue was stable (-0.2%). Typesetting and printing activities fell by 13.3%, which is largely explained by the decline in commercial printing by the French magazines, who were sold in 2015 to Altice Media Group France. Paper sales for these French magazines, on which almost no margin is realised, also resulted in a drop in revenue under miscellaneous revenue (-34.9%). Newsstand sales (-16.1%) decreased in line with the market trend, but mainly due to the stopping of the title *Royals*.

The increase in **EBITDA** for 2017 amounts to € 15.0 million compared to 2016. The decrease in revenue was only partially compensated by the decrease in the cost of merchandise, raw materials and consumables, and advertising costs at Roularta Media Group. The launch costs of the Storesquare.be e-commerce and marketing platform and one-off costs weigh on EBITDA.

EBIT in 2017 amounted to -€ 12.0 million and evolved in line with the EBITDA, increased by higher depreciation and impairments (€ 4.0 million) for intangible fixed assets. This increase in depreciation comes on the one hand of the depreciation of new acquisitions during the course of 2017 (€ 0.4 million), being the titles *Sterck* and *Landleven*, and on the other hand of the depreciation over a full year of titles that started depreciation during the course of 2016 (€ 0.6 million). In addition, for an amount of € 3.1 million in impairments were booked after testing titles according to IFRS standards.

Net finance costs (4%) are in line with last year. Higher **taxes** (€ 14.6 million) yield a 2017 **net result from continuing operations** of -€ 31.5 million. Tax expense for 2017 is almost entirely a non-cash item, namely the change in the deferred tax liabilities booked. This change is the result of an update of the profit forecast for the next 5 years and the corporate tax reform (2017 Summer Agreement), which resulted in a decrease in the balance of tax losses recoverable in the short-term.

The **result from discontinued operations** concerns the share of RMG (50%) in the results of the Medialaan group (TV channels VTM, Q2, Vitaya, CAZ, radio stations Qmusic and Joe, Mobile Vikings, etc.). These are recognised as the result of the discontinued activities, given the decision in October 2017 to sell these to co-shareholder De Persgroep.

The € 2.0 million minority interests in 2017 came mainly from the loss at Storesquare NV, for which RMG currently holds 65% of the shares. Thus the **net result attributable to the equity holders of RMG** amounts to -€ 10.9 million, or € 0.87 per share.

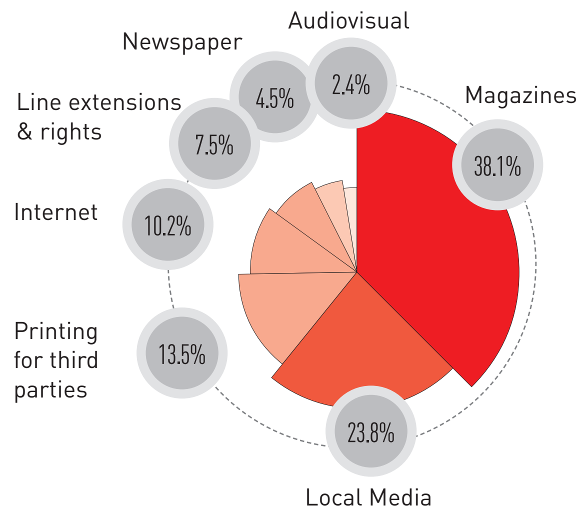
COMBINED SALES IN 2017

Combined sales decreased by € 18.4 million or 6.0%, due to a decrease in revenue in both segments.

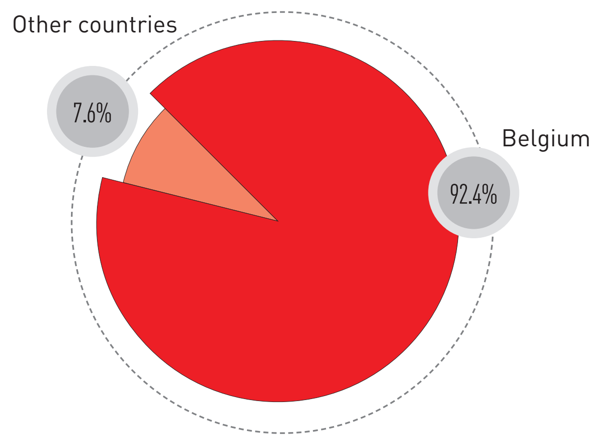
Combined sales by division (in thousands of euros)

Division	31/12/2017	31/12/2016	Trend
Printed Media	277,682	295,220	-5.9%
Audiovisual Media	9,414	10,810	-12.9%
Intersegment sales	*-658*	*-1,147*	
Combined sales	**286,438**	**304,883**	**-6.0%**

Combined sales by various activity categories



Combined sales 31/12/2017 regional



2017 COMBINED RESULTS BY DIVISION

Printed Media

Sales from the Printed Media division fell by 5.9%, from € 295.2 to € 277.7 million.
Adjusted revenue in 2017, not including revenue from acquisitions Sterck and Landleven, amounts to € 275.3 million compared to € 295.2 million in 2016.

EBITDA decreased from € 20.6 million to € 5.0 million, mainly due to lower revenue, which was partly offset by lower costs. Further investment in the Storesquare.be e-commerce platform and one-off costs also weigh on EBITDA.

EBIT fell from € 10.6 to -€ 9.8 million. EBIT evolved in line with EBITDA, increased by higher depreciation (€ 4.0 million) for intangible fixed assets.

Taxes amounted to € 14.5 million in 2017 compared to € 0.8 million in 2016.

The **net result attributable to equity holders of RMG** at the print division amounted to -€ 27.0 million. The € 2.1 million minority interest in 2017 came mainly from the loss at Storesquare NV, of which Roularta Media Group currently holds 65% of the shares.

Audiovisual Media

Sales from the Audiovisual Media division decreased by 12.9%, from € 10.8 to € 9.4 million.

EBITDA increased slightly from -€ 2.2 to -€ 2.1 million or an increase of 4.3%. **EBIT** is in line with last year: -€ 2.3 million. The lower **net finance costs** were compensated for by lower positive **taxes**.

The **net result from continuing operations** of the Audiovisual Media division, not including Medialaan, is in line with last year and amounts to -€ 2.4 million. With an amount of € 1.0 million, Medialaan achieved a slightly better net result in 2017 than in 2016.

BALANCE SHEET

Equity - group's share on 31 December 2017 amounted to € 203.0 million, versus € 222.3 million on 31 December 2016. The movement in equity consists mainly of the result of 2017 (-€ 10.9 million) less the dividends paid (€ 6.3 million).

As of 31 December 2017, the **consolidated net financial debt position** (= financial debts less current cash) amounts to € 62.6 million, an increase of € 5.1 million compared to the end of 2016, mainly explained by the decrease in the cash position of € 7.6 million and the repayment of bank debts in the amount of € 2.6 million (decrease in debt position).

INVESTMENTS

Total consolidated investments in 2017 amount to € 19.7 million, of which € 12.2 million acquisitions (mainly *Sterck* and *Landleven*) & capital increase, € 2.6 million investments in software and € 5.0 million in tangible fixed assets (mainly machines for the print shop).

MAIN EVENTS AFTER THE BALANCE SHEET DATE

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

- On 15 January 2018, Roularta made a binding offer for the Belgian titles of Sanoma, with the exception of the home magazines. The package includes the titles *Libelle/Femmes d'Aujourd'hui* and *Flair* (Dutch/French), *Feeling/GAEL* and *La Maison Victor*, *Communiekrant*, *Loving You* and *She Deals*. In parallel with the placing of this bid, Roularta Media Group decided to sell to Sanoma the titles *Ik ga Bouwen/Je vais Construire*.
- At the end of January, the sale of the participation in Medialaan (50%) was finally completed after the approval of the Belgian competition authority.
- After the green light of the Belgian competition authority, the purchase of the participation in Mediafin (50%) was finalised on 12 March 2018.

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

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

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

RESEARCH AND DEVELOPMENT

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

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

STATEMENT REGARDING THE COMPANY'S USE OF FINANCIAL INSTRUMENTS WHERE SIGNIFICANT FOR THE ASSESSMENT OF ITS ASSETS, LIABILITIES, FINANCIAL POSITION AND PROFIT OR LOSS

The Group uses exchange rate contracts to hedge the risk of changes in the fair market value of a recognised asset or liability, or an unrecognised definite commitment, within the scope of its commercial activities. The forward contracts used for these hedges do not have a direct impact on the financial position or results of the Group as these instruments are only used by associates which are consolidated by the equity method and, therefore, are only reflected in the share in the result of associates and joint ventures.

To hedge risks with respect to adverse interest rate fluctuations, the Group has used financial instruments, namely Interest Rate Swap (IRS) contracts. In accordance with the requirements defined in IAS 39, some of the contracts were regarded as cash flow hedging contracts. Market values of these contracts are recognised directly in equity. The other contracts are not regarded as hedging contracts under the conditions set forth in IAS 39. Fluctuations of market values of these contracts are recognised in the income statement.

STAFF

As at 31 December 2017, the Group has 1,276 full-time equivalent (FTE) employees, compared with 1,354 full-time equivalent (FTE) employees the previous year. These figures exclude joint ventures. Including the pro rata share of Roularta in the joint ventures, the Group has 1,395 full-time equivalent (FTE) employees at 31 December 2017.

MAIN RISKS AND UNCERTAINTIES

Economic conditions

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

Risks relating to market developments

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

The Group tracks market developments in the media world so that it can capitalise at all times on changes and new trends in the environment in which the company operates. Thanks to the Group's multi-media offer, it can suitably respond to a shift in focus in the advertising world and on the part of its readership from one form of media to another.

Strategic risk associated with markets and growth

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

Risks relating to suppliers

The various costs that to a large extent determine the total cost in the Printed Media division, such as printing, distribution, staff, and promotion costs, can fluctuate according to the economic situation.

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

Disturbances or disruptions of the IT system

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

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

Risks associated with intellectual property

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

Risk of reduced brand recognition or negative brand image

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

Risk of non-renewal of licences for TV and radio activities

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

Risks related to current and future acquisitions

In takeover situations, the Group is exposed to risks related to the integration of the entities acquired.

Innovation risk

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

Currency risks

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

With regard to the purchases and the firm commitments to purchase film rights in USD in the Audiovisual Media segment, the Group uses foreign exchange contracts to hedge the risk of changes in the fair value of a recognised asset or liability, or a non-recognised definite undertaking in the context of its commercial activities.

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

Interest rate risk

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

Credit risk

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

In addition, the Group also uses trade finance instruments, such as letters of credit, to cover part of its credit risk and credit insurances are concluded for a small percentage of foreign clients of the printing works. There is no significant concentration of credit risks with a single counterparty.

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

Covenants

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

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

Liquidity risk

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

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

Capital structure

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

Risks relating to possible impairments of goodwill and tangible and intangible fixed assets

An impairment loss is recognised when the book value of an asset, or the cash-generating unit to which the asset belongs, is higher than the recoverable amount. This recoverable amount is determined on the basis of business plans prepared by management and approved by the board of directors. The Group points to the sensitive nature of these business plans. When, owing to market circumstances, the assumptions contained in the aforementioned business plans cannot be achieved, impairments are recognised in the profit and loss account, with an effect on the net income and shareholders' equity of the Group.

A detailed description of the impairment tests, including sensitivity, is included in Note 15 to the consolidated financial statements.

Risks relating to legislation and arbitration

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

A detailed description of the most important pending disputes is included in Note 26 to the consolidated financial statements.

Roeselare, 9 April 2018
The Board of Directors

Corporate governance declaration [*]

INDICATION OF THE CORPORATE GOVERNANCE CODE

As a multimedia company, Roularta Media Group creates and distributes quality, independent and relevant content for the general public and for specific target groups. It links to this advanced marketing and advertising platforms for its partners. Roularta Media Group aims to create sustainable added value for its stakeholders and for all of society.

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

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

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

Enterprise Risk Management

Roularta Media Group has set up a risk assessment and internal control system in line with the requirements of the 2009 Belgian Corporate Governance Code.
The internal control of Roularta Media Group is based on the COSO ERM model (version 1) and is designed to provide reasonable assurance regarding the achievement of the objectives of the company. This implies, among other things, recognising and managing both operational and financial risks, compliance with laws and regulations, and monitoring reporting.

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

The budget as a direction-indicating instrument

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

Continuous automation with built-in controls

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

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

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

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

HR tools to support operational functioning

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

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

Environment with a focus on financial controls and reporting

Risk management in terms of financial reporting consists primarily of:

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

Internal audit as an engine for risk management

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

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

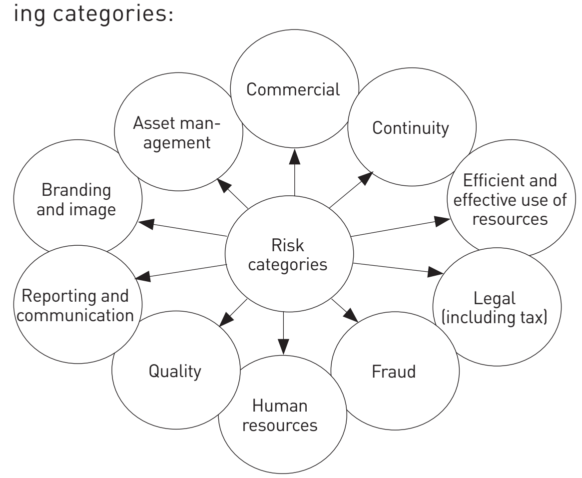
Following the aforementioned KAPLAN method, the identified risks are divided into three types:

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

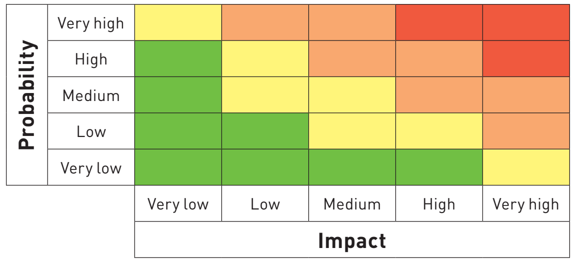
2 Strategic risks
- *Type description:*
  Risks taken in expectation of a major strategic benefit.
- *Risk limitation objective:*
  Limiting potential risk and impact in a cost-effective way.

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

These risks are then further divided into the following categories:



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



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

PUBLICATION IMPORTANT PARTICIPATIONS AND NOTE WITH RESPECT TO THE ITEMS LISTED IN ARTICLE 34 OF THE ROYAL DECREE OF 14/11/2007, IN SO FAR AS THESE COULD POTENTIALLY AFFECT A PUBLIC TAKEOVER BID

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

The shareholding structure is as follows:

	Number of shares	%
Koinon Comm.VA [1]	7,489,665	56.994%
S.A. West Investment Holding [1]	2,022,136	15.388%
Bestinver Gestión S.G.I.I.C. S.A.	998,725	7.600%
NV Capfi Delen Asset Management	439,200	3.342%
Treasury shares	603,635	4.593%
Individual and institutional investors	1,587,762	12.082%

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

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

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

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

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

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

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

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

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

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

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

Board of directors

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

- Mr Rik De Nolf, executive director and chairman of the board (2018).
- Five directors representing the reference shareholder, in accordance with the proposal rights under the articles of association, Mr Xavier Bouckaert, permanent representative of Comm.VA Koinon (2018), Ms Lieve Claeys (2018), Mr Joris Claeys, permanent representative of NV Cennini Holding (2018) and Mr Francis De Nolf, permanent representative of NV Alauda (2019). In May 2017 the director-legal person NV Verana (2020) appointed a new permanent representative in the person of Ms Coralie Claeys. Ms Coralie Claeys, a young female entrepreneur and business manager of Vincent Sheppard, a Belgian furniture company, has succeeded Ms Caroline De Nolf as permanent representative of NV Verana since May 2017.
- Three independent directors, all of whom hold executive corporate functions:
  » *Mr Carel Bikkers, permanent representative of BV Carolus Panifex Holding (2018)*, has for the past nine years headed up the Dutch media group Audax, a multifaceted organisation that is involved in the broadest sense of the term with the publishing, distribution and retailing of media and related products. Prior to this Mr Carel Bikkers worked as general manager of Kwik-Fit Europe BV, Europe's largest car service chain.
  » *Mr Koen Dejonckheere, permanent representative of NV Invest at Value (2018)*
  Mr Koen Dejonckheere was appointed Chief Executive Officer of Gimv in 2008. Before, he was Managing Director and head of Corporate Finance at KBC Securities. Previously, Mr Koen Dejonckheere worked for Nesbic, Halder, Price Waterhouse Corporate Finance Europe and the BBL. Mr Koen Dejonckheere has extensive experience as a dealmaker in investment banking and private equity in Belgium and abroad.
  » *Mr Marc Verhamme, permanent representative of SPRL Mandatum (2018)*, was until 1994 CEO of the North and North-West European fresh produce division of Danone. Mr Marc Verhamme is today an industrialist and owns a number of SMEs producing organic food products like yoghurt and fresh cheese,... with brands such as MIK and Pur Natur.

The terms of office of the following directors expire at the general meeting of 15 May 2018: Mr Rik De Nolf; Mr Xavier Bouckaert, permanent representative of

Comm.VA Koinon; Mr Joris Claeys, permanent representative of NV Cennini Holding; Ms Lieve Claeys; Mr Carel Bikkers, permanent representative of BV Carolus Panifex Holding; Mr Koen Dejonckheere, permanent representative of NV Invest at Value, and Mr Marc Verhamme, permanent representative of SPRL Mandatum.

On the advice of the appointments and remuneration committee the following propositions will be made to the next general meeting:

- to reappoint Mr Rik De Nolf, as an executive director and chairman of the board of directors;
- to reappoint Comm.VA Koinon, represented by its permanent representative, Mr Xavier Bouckaert, as an executive director;
- to reappoint NV Cennini Holding, represented by its permanent representative, Mr Joris Claeys, as a non-executive director;
- to reappoint Ms Lieve Claeys as a non-executive director;
- to reappoint SPRL Mandatum, represented by its permanent representative, Mr Marc Verhamme, as an independent director;
- to reappoint BV Carolus Panifex Holding, represented by its permanent representative, Mr Carel Bikkers, as an independent director;
- to reappoint NV Invest at Value represented by its permanent representative, Mr Koen Dejonckheere, as an independent director.

These reappointments are all valid for a period of four years until the general meeting in 2022.

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

The board of directors met seven times during 2017 to discuss the company's results, the Group's multi-annual plan and the following year's budget. The secretary of the board of directors, Sophie Van Iseghem, is responsible for the reporting of the board of directors and the committees established by the board of directors.

Attendance of individual board members in 2017 [1]:

Rik De Nolf, Chairman	7
Xavier Bouckaert, CEO	7
Marc Verhamme, Vice-Chairman	7
Carel Bikkers	7
Joris Claeys	7
Lieve Claeys	7
Caroline De Nolf - from 15/05/2017 Coralie Claeys	7
Francis De Nolf	6
Koen Dejonckheere	7

During the past year there was also a meeting of the independent directors. For 2018, six board meetings are planned.

Audit committee

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

The audit committee met five times in 2017. During these meetings the audit committee controlled the integrity of the financial information of the company, closely monitored the activities of the internal and external auditor, and where it deemed necessary, made recommendations in these respects to the board of directors.

[1] *Includes one board meeting by telephone.*

At the invitation of the chairman, the audit committee was attended by the statutory auditor, the CEO, the chairman of the board of directors, the CFO and the internal auditor. The statutory auditor attended two times the meetings of the audit committee in 2017.

Attendance at audit committee meetings in 2017:

Carel Bikkers, Chairman	5
Marc Verhamme	5

Appointments and remuneration committee

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

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

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

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

The appointments and remuneration committee met three times during 2017. The main item on its agenda was: preparing the remuneration report and reviewing the remuneration and bonus policy of the executive management and the composition of the board of directors and its committees.

Attendance at appointments and remuneration committee meetings in 2017:

Carel Bikkers	3
Marc Verhamme, Chairman	3

ASSESSMENT OF THE BOARD AND BOARD COMMITTEES

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

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

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

GENDER DIVERSITY

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

COMPOSITION OF EXECUTIVE MANAGEMENT

The executive management of Roularta Media Group consists of the executive management committee and the management team (see page 33). No changes to the composition of the executive management took place in the past year.

CONFLICT OF INTERESTS

There were in the course of the financial year no conflicts of interest of a financial nature giving rise to the application of Articles 523 and 524 of the Companies Code.

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

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

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

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

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

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

PROTOCOL FOR THE PREVENTION OF MARKET ABUSE

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

REMUNERATION REPORT

Annual remuneration of executive and non-executive directors

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

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

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

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

The chairman of the board of directors and the managing director were granted a fixed remuneration of EUR 100,000. The vice-chairman of the board receives a fixed remuneration of EUR 50,000. Each other board member receives a fixed remuneration of EUR 10,000, plus a fee per board meeting of EUR 2,500; members of board committees (the audit committee and the appointments and remuneration committee) receive an additional fee per meeting of EUR 2,500, the chairman of the audit committee an additional EUR 5,000 fee per meeting of this committee. No remuneration is granted for board meetings by telephone. The directors' remuneration policy will not be changed in the two coming financial years.

Directors' remuneration 2017

		Fixed	Attendance fee
Rik De Nolf Chairman of the board of directors	Executive	EUR 100,000.00	–
Xavier Bouckaert permanent representative of Comm. VA Koinon – Managing Director	Executive	EUR 100,000.00	–
Marc Verhamme permanent representative of SPRL Mandatum – Vice-Chairman of the board of directors – member audit committee – Chairman appointments and remuneration committee	Non-executive & independent	EUR 50,000.00	–
Carel Bikkers permanent representative of BV Carolus Panifex Holding – Chairman audit committee – member appointments and remuneration committee	Non-executive & independent	EUR 10,000.00	EUR 42,500.00
Joris Claeys permanent representative of NV Cennini Holding	Non-executive	EUR 10,000.00	EUR 15,000.00
Lieve Claeys	Non-executive	EUR 10,000.00	EUR 15,000.00
Coralie Claeys[2] permanent representative of NV Verana	Non-executive	EUR 10,000.00	EUR 15,000.00
Francis De Nolf permanent representative of NV Alauda	Executive	EUR 10,000.00	EUR 12,500.00
Koen Dejonckheere permanent representative of NV Invest at Value	Non-executive & independent	EUR 10,000.00	EUR 15,000.00

[2] *Change of the permanent representative of NV Verana on 15/05/2017.*

Remuneration of members of executive management

The remuneration of the members of executive management is set by the board of directors based on the recommendation of the appointments and remuneration committee. The level and structure of the remuneration of the executive management need to enable the company to attract, retain and continually motivate qualified and skilled managers, taking into account the nature and scope of their individual responsibilities.
The amount and structure of the basic remuneration of the executive management is regularly reviewed for its compliance with market conditions by a specialist (international) salaries and benefits consultancy. The company is assuming that the remuneration policy for members of the executive management will remain unchanged for the next two years unless testing against market practice shows that changes are urgently needed.

In 2017, the remuneration policy of the members of the executive management did not change from that of previous years. The remuneration of the executive management consists of:

- basic remuneration in line with training, job content, experience and seniority;
- a performance bonus linked for 30% to the consolidated results of the Group and for 70% to the performance of the business unit for which the manager is responsible. Every year financial performance criteria are established for the year in question at the level of the consolidated Group results. At business unit level, financial or qualitative targets are set on an annual basis. At the end of the year it is determined by the appointments and remuneration committee, based on the established performance criteria, both quantitative and qualitative, whether and to what extent the bonus has been earned. On the recommendation of the appointments and remuneration committee, the board of directors approves the bonuses of the executive management. The bonus may not exceed 20% to 25% of the basic annual salary of members of the executive management. The bonus is paid to the group insurance of the manager in question. A small portion of the bonus can be paid out in cash at the request of the manager concerned. There is no provision for a right of recovery in favour of the company in cases where variable remuneration has been given based on inaccurate financial data. Bonuses are awarded only after the close of the year and the requisite verification

of the figures by the auditors. In this way the likelihood of paying a bonus based on inaccurate financial data is negligible;

- a long-term incentive consisting of rights to acquire shares in Roularta Media Group. This long-term incentive is not performance-related. The option plans issued by the company each run for ten years, with exercise possible no earlier than the third calendar year after subscription;
- extra-legal ('fringe') benefits, consisting of a group insurance (employer's contribution is 3.75% of the annual remuneration), a company car with fuel card in accordance with the company's car policy, luncheon vouchers (employer's contribution of maximum EUR 6.91/day worked) and hospitalisation and disability insurance.

The CEO, Comm.VA Koinon with Mr Xavier Bouckaert as its permanent representative, received in 2017 a gross fixed remuneration of EUR 656,247.36. The remuneration package for the CEO does not include shares, share options, pension contributions, bonus, nor are fringe benefits included.

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

- basic salaries of EUR 1,888,622.00;
- a total of EUR 342,000.00 in bonuses, of which EUR 135,500.00 was paid in cash and EUR 206,500.00 was paid into the group insurance;
- the pension contributions for 2017 total EUR 80,163.00, of which EUR 70,943.00 of payments into a defined contributions pension plan and EUR 9,220.00 of payments into a savings/group insurance;
- and other components amounting to EUR 46,185.00 of which EUR 35,113.00 of standard employer-specific costs and EUR 11,072.00 employer's contribution to luncheon vouchers.

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

2,750 options were exercised by the following members of the executive management during the course of 2017, at an exercise price of 15.71 euros:

Philippe Belpaire	500
Jan Cattrysse	1,000
William Metsu	500
Willem Vandenameele	250
Sophie Van Iseghem	500

There were no new options granted during 2017, nor did options granted to the executive management expire during this period.

Severance pay for executive managers

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

Overview stock options allotted to the executive management

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

Consolidated financial statements

1. CONSOLIDATED INCOME STATEMENT

in thousands of euros	Note	2017	2016(*)
Sales	3	256,768	276,464
Own construction capitalised		1,570	2,098
Raw materials, consumables and goods for resale		-61,055	-67,762
Services and other goods	4	-102,056	-101,638
Personnel	5	-92,752	-91,389
Other operating income	7	3,953	4,158
Other operating expenses	7	-5,422	-5,720
Share in the result of associated companies and joint ventures	17	921	719
EBITDA		**1,927**	**16,930**
Depreciation, write-down and provisions		-13,962	-9,518
Depreciation and write-down of intangible and tangible assets		*-11,327*	*-10,248*
Write-down of inventories and debtors	*6*	*-492*	*42*
Provisions		*942*	*688*
Impairment losses		*-3,085*	*0*
EBIT		**-12,035**	**7,412**
Financial income	9	883	1,413
Financial expenses	9	-5,741	-6,100
Operating result after net finance costs		**-16,893**	**2,725**
Income taxes	10	-14,578	72
Net result from continuing operations		**-31,471**	**2,797**
Result from discontinued operations	11	18,510	17,475
Net result of the consolidated companies		**-12,961**	**20,272**
Attributable to:			
Minority interests		-2,030	-1,201
Equity holders of Roularta Media Group		**-10,931**	**21,473**
Earnings per share in euros	**Note**	**2017**	**2016(*)**
From continuing and discontinued operations			
Basic earnings per share	13	-0.87	1.72
Diluted earnings per share	13	-0.87	1.70
From continuing operations			
Basic earnings per share	13	-2.35	0.32
Diluted earnings per share	13	-2.33	0.32

(*) Restated for the retrospective application of IFRS 5 Discontinued Operations.

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of euros	Note	2017	2016(*)
Net result of the consolidated companies		**-12,961**	**20,272**
Other comprehensive income of the period			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences		-25	-12
Cash flow hedges	32	-64	
Deferred taxes relating to other comprehensive income		16	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Non-current employee benefits - actuarial gain / loss		-1,672	-1,098
Deferred taxes relating to other comprehensive income		230	372
Discontinued activities - long-term employee benefits - actuarial gains / losses		-467	-390
Discontinued activities - deferred taxes related to unrealised period results		82	133
Share of non-reclassifiable other comprehensive income of joint ventures and associates		13	-23
Other comprehensive income of the period		**-1,887**	**-1,018**
Total comprehensive income		**-14,848**	**19,254**
Attributable to:			
Minority interests		-2,030	-1,201
Equity holders of Roularta Media Group		**-12,818**	**20,455**

(*) Restated for the retrospective application of IFRS 5 Discontinued Operations.

3. CONSOLIDATED BALANCE SHEET

ASSETS in thousands of euros	Note	2017	2016(*)
Non-current assets		**166,259**	**307,445**
Intangible assets	15	91,280	84,399
Property, plant and equipment	16	55,427	56,023
Investments accounted for using the equity method	17	10,285	127,722
Available-for-sale investments, loans, guarantees	18	2,104	2,470
Trade and other receivables	19	600	15,568
Deferred tax assets	20	6,563	21,263
Current assets		**250,849**	**135,756**
Inventories	21	5,548	6,236
Trade and other receivables	19	69,915	73,989
Tax receivable		352	284
Short-term investments	22	0	46
Cash and cash equivalents	22	42,984	50,565
Deferred charges and accrued income		3,047	4,636
Assets held for sale	12	129,003	0
Total assets		**417,108**	**443,201**

LIABILITIES in thousands of euros	Note	2017	2016(*)
Equity		**204,905**	**224,055**
Group's equity		202,999	222,293
Issued capital	*23*	*80,000*	*80,000*
Treasury shares	*23*	*-23,787*	*-23,931*
Retained earnings		*145,549*	*163,224*
Other reserves	*23*	*1,228*	*2,966*
Translation differences		*9*	*34*
Minority interests		1,906	1,762
Non-current liabilities		**19,372**	**118,842**
Provisions	25	7,041	7,380
Employee benefits	27	6,574	5,079
Deferred tax liabilities	20	1,185	521
Financial debts	28	4,285	105,825
Other payables	29	287	37
Current liabilities		**192,831**	**100,304**
Financial debts	28	101,251	2,229
Trade payables	29	38,879	42,266
Advances received	29	18,743	17,582
Employee benefits	29	14,603	13,497
Taxes	29	111	771
Other payables	29	11,655	16,242
Accrued charges and deferred income	29	7,589	7,717
Total liabilities		**417,108**	**443,201**

(*) Restated for the retrospective application of IFRS 5 Discontinued Operations.

4. CONSOLIDATED CASH FLOW STATEMENT

in thousands of euros	Note	2017	2016
Cash flow relating to operating activities			
Net result of the consolidated companies		-12,961	20,272
Share in the results of associated companies and joint ventures	17	-19,431	-18,194
Income tax expense / income	10	14,578	-72
Interest expenses		5,741	6,100
Interest income (-)		-883	-1,413
Losses (+) / gains (-) on disposal of intangible assets and property, plant and equipment		-135	17
Losses (+) / gains (-) on disposal of business		78	-398
Dividends received from associated companies and joint ventures		8,496	11,741
Non-cash items		14,133	10,036
Depreciation of (in)tangible assets	*15 & 16*	*11,327*	*10,248*
Impairment losses	*15*	*3,085*	
Share-based payment expense	*5*	*125*	*152*
Increase (+) / decrease (-) in provisions		*-942*	*-688*
Other non-cash items		*538*	*324*
Gross cash flow relating to operating activities		**9,616**	**28,089**
Increase / decrease in current trade receivables		2,353	7,939
Increase / decrease in current other receivables and deferred charges and accrued income		1,571	809
Increase / decrease in inventories		625	-734
Increase / decrease in current trade payables		-3,628	-5,820
Increase / decrease in other current liabilities		-2,037	-10,707
Other increases / decreases in working capital (a)		128	2,134
Increase / decrease in working capital		**-988**	**-6,379**
Income taxes paid		-234	-1,014
Interest paid		-5,707	-6,067
Interest received		817	196
NET CASH FLOW RELATING TO OPERATING ACTIVITIES (A)		**3,504**	**14,825**

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

Cash flow relating to investing activities			
Intangible assets - acquisitions	15	-11,387	-3,090
Tangible assets - acquisitions	16	-4,973	-4,448
Intangible assets - other movements		4	
Tangible assets - other movements		147	34
Net cash flow relating to acquisition of subsidiaries	33	-5,020	-450
Net cash flow relating to disposal of subsidiaries	34 (*)	17,125	16,000
Net cash flow relating to loans to investments accounted for using the equity method		-246	142
Available-for-sale investments, loans, guarantees - acquisitions	18	-75	
Available-for-sale investments, loans, guarantees - other movements		441	14
Increase / decrease in short-term investments		46	
NET CASH FLOW RELATING TO INVESTING ACTIVITIES (B)		**-3,938**	**8,202**
Cash flow relating to financing activities			
Dividends paid		-6,268	-6,253
Treasury shares		144	445
Other changes in equity		1,673	924
Redemption of current financial debts		-1,746	-2,279
Redemption of non-current financial debts		-950	-3,938
Decrease in non-current receivables			143
NET CASH FLOW RELATING TO FINANCING ACTIVITIES (C)		**-7,147**	**-10,958**
TOTAL DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**-7,581**	**12,069**
Cash and cash equivalents, beginning balance		50,565	38,496
Cash and cash equivalents, ending balance		42,984	50,565
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS		**-7,581**	**12,069**

(*) Including funds received in 2017 (€ 17M) related to the sale of the French operations in 2015. In 2016 € 16M was received.

Notes to the consolidated cash flow statement

The cash flow statement shows a net cash decrease of € 7.6 million in 2017, compared to € 12.1 million cash generation in 2016. The **cash flow from operational activities** decreased by € 11.3 million to € 3.5 million in 2017. This is in line with the income statement, the reduced receipt of dividends from subsidiaries (e.g. sale of participation in Medialaan) for an amount of € 3.2 million and a reduction of working capital of € 1.0 million. **Cash flow related to investing activities** had a balance of - € 3.9 million in 2017. In comparison with 2016, there was € 8.3 million more in investments in intangible fixed assets (mainly new titles) and € 0.5 million more investments in tangible fixed assets (mainly for the print shop). This cash flow was positively impacted in both 2017 (€ 17 million) and in 2016 (€ 16 million) by collection of the long-term receivable from the Altice group for the French activities divested in 2015. The **cash flow from financing activities** contained the payment of € 6 million in dividends in both 2017 and in 2016, and the repayment of bank debts amounting to € 2.7 million in 2017 and € 6 million in 2016.

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2017 in thousands of euros	Issued capital	Treasury shares	Retained earnings	Other reserves	Translation differences	Minority interests	Total equity
Balance as of 01/01/2017	**80,000**	**-23,931**	**163,224**	**2,966**	**34**	**1,762**	**224,055**
Total comprehensive income for the period			-10,931	-1,862	-25	-2,030	**-14,848**
Capital increase through minority interests						1,389	**1,389**
Operations with own shares		144					**144**
Dividends			-6,268				**-6,268**
Recognition of share-based payments				124			**124**
Effect of purchase / sale of minority interests			-476			812	**336**
Dividend paid to minority interests						-27	**-27**
Balance as of 31/12/2017	**80,000**	**-23,787**	**145,549**	**1,228**	**9**	**1,906**	**204,905**

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

We refer to Note 23 for more details.

Notes to the consolidated financial statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Presentation basis

The consolidated financial statements are prepared in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB approved by the European Commission.

The consolidated financial statements give a general overview of our Group's activities and the results achieved. They represent fairly, the financial position, financial performance and cash flows of the entity, and have been prepared on a going concern basis.

The consolidated financial statements were approved by the board of directors on 9 April 2018 and can be amended until the shareholders' meeting of 15 May 2018.

New and revised standards and interpretations

Standards and interpretations applicable for the annual period beginning on 1 January 2017 :

- Amendments to IAS 7 *Statement of Cash Flows – Disclosure Initiative* , effective 1 January 2017
- Amendments to IAS 12 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*, effective 1 January 2017
- Annual Improvements Cycle - 2014-2016 – Amendments to IAS 12, effective 1 January 2017

The application of those IFRS standards had no material effect on the 2017 consolidated financial statements of the Group.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2017:

- Amendments to IFRS 2 *Share-based Payment - Classification and Measurement of Share-based Payment Transactions* (applicable for annual periods beginning on or after 1 January 2018)
- Amendments to IFRS 4 *Insurance Contracts* – Applying IFRS 9 *Financial instruments with IFRS 4 Insurance Contracts* (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 9 *Financial Instruments* (applicable for annual periods beginning on or after 1 January 2018)
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation* (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU).
- IFRS 15 *Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15 and Clarifications to IFRS 15 Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 16 *Leases* (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 17 *Insurance Contracts* (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU).
- Amendments to IAS 40 *Investment Property – Transfers of Investment Property* (applicable for annual periods beginning on or after 1 January 2018).
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU).
- IFRIC 23 *Uncertainty over Income Tax Treatments* (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU).
- Annual Improvements Cycle - 2014-2016 – Amendments to IFRS 1 and IAS 28 (applicable for annual periods beginning on or after 1 January 2018).
- Amendments in IAS 28 *Long-term Interests in Associates and Joint Ventures* (applicable for annual

periods beginning on or after 1 January 2019, but not yet endorsed in the EU).

- Annual Improvements Cycle – 2015-2017 (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU).
- Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement* (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU).

IFRS 9 Financial Instruments
The final version of IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. Early application is permitted by applying all of the requirements in this standard at the same time. Alternatively, entities may elect to early apply only the requirements for the presentation of gains and losses on financial liabilities designated as FVTPL without applying the other requirements in the standard. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date. The Group has performed an impact assessment of all three aspects of IFRS 9. Overall, the Group expects no significant impact on its balance sheet and equity of applying the impairment requirements of IFRS 9.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers.

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

Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

During 2017, the Group performed an assessment of IFRS 15. This analysis showed that there is no material impact on the results of the Group. If IFRS 15 becomes material, The Group plans to adopt the new standard on the required effective date using the prospective method.

IFRS 16 Leases
IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Lessees are required to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's lessor accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

The new standard is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15 *Revenue from Contract with Customers*. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2017 the Group performed an impact analysis from the application of IFRS 16. This analysis showed that there will be no material impact, except for leased vehicles, on the statement of financial position and equity of the Group, given that a significant part of the operational lease commitments will terminate within 1 year. We refer in this respect to Note 30.

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

Consolidation principles

The consolidated financial statements consolidate the financial information of Roularta Media Group NV, its subsidiaries and joint ventures, after elimination of all material transactions within the Group.

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

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

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the parent company acquires control until the date on which the control ceases.

The financial statements of subsidiaries are prepared for the same financial year as that of the parent company and using uniform accounting policies for like transactions and other events in similar circumstances.

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

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

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

The financial information included for these companies is prepared using the accounting policies of the Group. When the Group has acquired joint control in a joint venture or significant influence in an associate, the share in the acquired assets, liabilities and contingent liabilities is initially remeasured to fair value at the acquisition date and accounted for using the equity method.

Any excess of the purchase price over the fair value of the share in the assets, liabilities and contingent liabilities acquired, is recognised as goodwill. When the goodwill is negative, it is immediately recognised in profit or loss. Subsequently, the consolidated financial statements include the Group's share of the results of joint ventures and associates accounted for using the equity method until the date when joint control or significant influence ceases.

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

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

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

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

Acquisition-related costs are expensed in the period incurred.

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

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

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

Foreign currency

Transactions in foreign currency
Transactions in foreign currency are recorded on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate at the date of transaction. At each balance sheet date foreign currency monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition are recognised in profit or loss as other operating income or costs in the period in which they arise.

Financial statements of foreign entities
Monetary and non-monetary assets and liabilities of foreign entities whose functional currency is not the currency of a hyperinflationary economy and is different from the euro are translated at the closing rate at the date of the balance sheet. Income and expenses for each income statement (including comparatives) are translated at exchange rates at the dates of the transactions. All resulting exchange differences are recognised as a separate component of equity.

Intangible assets other than goodwill

Intangible assets consist of titles, software, concessions, copyrights, property rights and other rights etc. acquired from third parties or by contribution in kind, as well as any internally generated software.

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised as an expense when it is incurred.

Expenditures on development activities, whereby the research findings are applied to a plan or design for the production of new or substantially improved products and processes, are only included in the balance sheet, if the product or process is technically and commercially feasible, the Group has sufficient resources available to complete the development and it is possible to demonstrate that the asset will generate probable future economic benefits.

Capitalised expenditure comprises the costs of materials, direct labour costs and a proportionate part of the overheads.

Intangible assets are measured at their cost, less any accumulative amortisation and any accumulated impairment losses.

Amortisation
Intangible assets are amortised in accordance with the straight-line methods starting when the asset is available for use over their expected useful life.

The following useful lives are applied:

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

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

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

Goodwill

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

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

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

Property, plant and equipment

Property, plant and equipment are recognised at cost less any accumulative depreciation and any impairment losses. The cost comprises the initial purchase price plus other direct purchase costs (such as non-refundable tax, transport). The cost of self-constructed property, plant and equipment comprises the cost of materials, direct labour costs and a proportional part of the production overheads.

The Group uses the exception provided for in IFRS 1 to treat the fair value of some of the property, plant and equipment as deemed cost on the date of transition to IFRS, being 1 January 2003. This fair value is based on the value in going concern as determined by third party experts and was applied to all of the Group's land and buildings, as well as to printing presses and finishing lines.

Leases
Lease arrangements whereby the Group has substantially all rewards and risks incidental to ownership are classified as finance leases. At the commencement of the finance lease term, finance leases are recognised as assets and liabilities in the balance sheet at amounts equal to the fair value of the leased property, or, if lower, the present value of the minimum lease payments each determined at the inception of the lease.

Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents shall be charged as expenses in the periods in which they are incurred.

Leasing of property whereby substantially all rewards and risks remain with the leasing company is classified as operating lease. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Depreciation
The depreciable amount of an item of property, plant and equipment (i.e. the cost less its residual value) is recognised in the income statement on a straight-line basis from the date the asset is available for use over the expected useful life.

The following useful lives are applied:

• Buildings	
» revalued	20 years
» not revalued	33 years
» buildings on leasehold land	term of lease
» improvements with valuable appreciation	10 years
• Installations, machines and equipment	
» printing presses and finishing lines	3 to 20 years
» broadcast material	5 years
» TV stages	3 years
» others	5 years
• Furniture and office equipment	5 to 10 years
• Electronic equipment	3 to 5 years
• Vehicles	4 to 5 years
• Other property, plant and equipment	5 to 10 years
• Assets under construction and advance payments	no depreciation
• Property held under a finance lease	
» printing presses and finishing lines	3 to 20 years
» broadcast material	5 years

Land is not depreciated since it is assumed that it has an indefinite useful life.

Financial assets

Criteria for the initial recognition and the derecognition of financial assets
The purchase or sale of financial assets is recognised using the settlement date. This implies that the asset is recognised on the date it is received by the Group, and it is derecognised on the date it is delivered by the Group; at this date any gain or loss on disposal is recognised.

Criteria for the measurement of financial assets
(a) Available-for-sale financial assets
At initial recognition all available-for-sale financial assets are recognised at fair value, plus transaction costs directly attributable to the acquisition of the financial asset. A gain or loss arising from a change in fair value is recognised directly in equity as revaluation reserve until the financial asset is derecognised, or until there is objective evidence that a financial asset incurred impairment losses. Investments in equities that are classified as assets available for sale but for which no price quotation on an active market is available, and the fair value of which cannot be reliably determined by other valuation methods, are recognised at their historical cost.

(b) Financial assets at fair value through profit or loss
At initial recognition these financial assets are recognised at fair value. A gain or loss arising from a change in fair value of the financial asset is recognised through profit or loss.

(c) Loans and receivables
These non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are measured at amortised cost. A gain or loss is recognised in profit or loss when the financial asset is impaired.

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

Inventories

Inventories are measured at cost (purchase or manufacturing cost) in accordance with the FIFO method or, if lower, at net realisable value.

Manufacturing cost includes all direct and indirect costs necessary to bring the inventories to their present location and condition.
The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Ageing or slowly rotating inventories are systematically written down.

Trade and other receivables

Short-term trade receivables and other receivables are measured at cost less appropriate allowances for estimated irrecoverable amounts.

At the end of the financial year an estimate is made of doubtful debts on the basis of an evaluation of all outstanding amounts. Doubtful debts are written off in the year in which they were identified as such.

Cash and cash equivalents

Cash and cash equivalents consist of cash and sight deposits, short-term deposits (under 3 months) and highly liquid investments which are easily convertible into a known cash amount and where the risk of a change in value is negligible.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sales plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

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

The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

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

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

Treasury shares
Treasury shares (i.e. own shares) are presented as deduction of equity and reported in the statement of changes in equity. No gain or loss is recognised in the income statement on the sale, issuance or cancellation of treasury shares.

Provisions
A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

If the Group expects that some or all of the expenditure required settling a provision will be reimbursed, the related asset is recognised once it is virtually certain that the reimbursement will be received.

Restructuring
A provision for restructuring is created when the Group approves a detailed and formalised restructuring plan and when the implementation of the restructuring plan has been started or the main features of the plan have been announced to those affected by it.

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

For the defined benefit pension plans, provisions are established by calculating the present actuarial value of future amounts to the employees concerned. Defined benefit costs are split into 2 categories:

- Service cost, past-service cost, gains and losses on curtailments and settlements;
- Net-interest expense or income.

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

The Group also recognises a provision for early retirement pensions. The amount of the provision is equal to the present value of future benefits promised to the employees involved.

Share-based payments
Various warrant and share option plans exist to enable executive and senior management to acquire shares of the company. IFRS 2 applies to all share-based payment transactions allocated after 7 November 2002 and which had not become unconditional by 1 January 2005. The exercise price of an option is determined on the basis of the average closing price of the share during the thirty days prior to the option offering date or on the basis of the latest closing price prior to the offering date. The fair value of the option is calculated using the Black and Scholes formula. If and when the options are exercised, equity is increased by the amount received.

Other long-term employee benefits
This mainly concerns both future tariff benefits on subscriptions, as jubilee premiums. The amount of these provisions equals the present value of these future obligations.

Financial liabilities
Financial debts, other than derivative financial instruments, are initially recorded at the fair value of the financial resources received, less transaction costs. In subsequent periods, they are stated at amortised cost using the effective interest rate method. Where financial debts are hedged by derivative financial instruments that function as fair value hedging, these debts are valued at fair value.

Trade payables
Trade payables are recognised at their cost.

Tax
Tax expense (tax income) on the result for the financial year is the aggregate amount included in the profit or loss for the period in respect of current tax and deferred tax. Taxes are recognised as income or as expense and included in profit or loss for the period except to the extent that the tax arises from a transaction or event which is recognised directly in equity. In that case the taxes are also recognised directly to the equity.

Current taxes for current and previous periods are, to the extent unpaid, recognised as a liability. If the amount already paid exceeds the amount due for those periods, the excess is recognised as an asset. For calculating the current tax for the current and prior periods the tax rates that have been enacted or substantively enacted by the balance sheet date are used.

Deferred taxes are accounted for using the 'liability' method for all temporary differences between the taxable basis and the book value for financial reporting purposes and this for both assets and liabilities. For calculation purposes the tax rates used are those that have been enacted or substantively enacted by the balance sheet date.

In accordance with this method, the Group must in case of a business combination recognise deferred taxes on the difference between the fair value of the acquired assets and the liabilities and contingent liabilities assumed and their taxable basis.

Deferred tax assets are only recognised when it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets are derecognised when it is no longer probable that the related tax advantage will be realised.

Government grants
Government grants that relate to assets are recognised at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The government grant is presented as deferred income.

Government grants to compensate costs incurred by the Group are systematically recognised as operating income in the same period in which these costs are incurred.

Sales
Revenue from sales is recognised when following conditions are met:
a) the significant risks and rewards of ownership are transferred
b) the Group has no continuing managerial involvement or control usually associated with ownership anymore
c) the amount of revenue can be measured reliably
d) it is probable that the economic benefits associated with the transaction will flow to the Group
e) the costs incurred or to be incurred can be measured reliably.

Advertising income in Printed Media is recognised upon publication of the issue in which the advertisement is placed. Advertising income in Audiovisual Media is recognised at the time of broadcasting. Income from newsstand and subscription sales is recognised at publication date of the issue.

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

Financing costs
Financing costs are recognised as an expense in the period in which they are incurred.

Impairment losses
For the Group's assets, in application of IAS 36, on each balance sheet date it is assessed whether there are any indications that an asset may be impaired. If such indication exists, the recoverable amount of the asset has to be estimated. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. An impairment loss is recognised when the book value

of an asset, or the cash-generating unit to which the asset belongs, is higher than the recoverable amount. Impairment losses are recognised in the income statement.

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

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

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

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

Derivative financial instruments

The Group uses derivative financial instruments to hedge the exposure to changes in interest rates or currencies.

Derivative financial instruments are initially measured at fair value. After initial recognition the financial instruments are measured at fair value on the balance sheet date.

Cash flow or fair value hedge accounting is applied to all hedges that qualify for hedge accounting when the required hedge documentation is in place and when the hedge relation is determined to be effective.

Fair value hedging

When a derivative financial instrument hedges the variability in fair value of a recognised asset or liability, or hedges an unrecognised firm commitment, these financial instruments are qualified as fair value hedges. These financial instruments accounted for as fair value hedges are measured at fair value and presented in the line 'financial derivatives'. The gain or loss arising on hedging instruments is recognised in profit and loss. The hedged item is also measured at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

Cash flow hedging

Changes in the fair value of a hedging instrument that qualifies as an effective cash flow hedge are processed in equity, more specifically in the hedging reserve.

Derivatives that do not qualify as hedging instruments

Certain hedging transactions do not qualify for hedge accounting treatment according to the specific criteria of IAS 39 *Financial Instruments: Recognition and Measurement*, although they offer economic hedging according to the Group's risk policy. Changes in the fair value of such instruments are recognised directly in the income statement.

Crucial assessments and main sources of estimating uncertainties

Preparing annual financial statement under IFRS rules requires management to make judgements, estimates and assumptions that influence the amounts included in the annual financial statements. The estimates and related assumptions are based on past experience and on various other factors that are considered reasonable in the given circumstances. The outcomes of these form the basis for the judgement as to the carrying value of assets and liabilities where this is not evident from other sources. The actual outcomes can differ from these estimates. The estimates and underlying assumptions are regularly reviewed.

Important sources of valuation uncertainties

- Impairment losses on intangible assets and goodwill: the Group tests intangible assets and goodwill annually for impairment, and also in between where indications exist that the value of the intangible assets or goodwill could be impaired (see Note 15).
- Deferred tax assets relating to tax losses carried forward and tax deductions are recognised only to the extent that it is probable that sufficient taxable profit will exist in the future to recover the carried-forward tax losses and tax deductions.
- Credit risk with respect to customers: management analyses thoroughly the outstanding trade receivables, taking into account ageing, payment history and credit insurance coverage (see Note 19).
- Provision for employee benefits: the defined benefit pensions are based on actuarial assumptions including the discount rate and expected return on fund investments, see Note 27.

NOTE 2 - SEGMENT REPORTING

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

I. Segment information

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

For reporting purposes, Roularta Media Group is organised into two operating segments based on the activities: Printed Media and Audiovisual Media.

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

The valuation rules of the business segments are the same as the valuation rules of the Group as described in Note 1, except for the presentation of joint ventures which have been recorded based on the proportional method of consolidation in the segment reporting.
Intersegment pricing is determined on an arm's length basis.
The results of the operating segments are monitored by management as far as the net result, given that almost all the segments correspond to legal entities.

2017 in thousands of euros	Printed Media	Audiovisual Media	Inter-segment elimination	Combined total	Effect IFRS 11	Consoli-dated total
Sales of the segment	277,682	9,414	-658	286,438	-29,670	256,768
Sales to external customers	*277,685*	*8,753*		*286,438*	*-29,670*	*256,768*
Sales from transactions with other segments	*-3*	*661*	*-658*	*0*	*0*	
Depreciation and write-down of (in)tangible assets	-12,265	-171		-12,436	1,109	-11,327
Write-down of inventories and receivables and provisions	565	-18		547	-97	450
Share in the result of associated companies and joint ventures	-1,258			-1,258	2,179	921
Operating result (EBIT)	**-9,773**	**-2,323**		**-12,096**	**61**	**-12,035**
Financial income	977	3	-93	887	-4	883
Financial expenses	-5,762	-112	93	-5,781	40	-5,741
Income taxes	-14,486	5		-14,481	-97	-14,578
Net result from continuing operations	**-29,044**	**-2,427**		**-31,471**	**0**	**-31,471**

2017 in thousands of euros	Printed Media	Audiovisual Media	Inter-segment elimination	Combined total	Effect IFRS 11	Consoli-dated total
Result from discontinued operations	**0**	**18,510**		**18,510**	**0**	**18,510**
Attributable to:						
Minority interests	-2,029	-1		-2,030	0	-2,030
Equity holders of Roularta Media Group	**-27,015**	**16,084**		**-10,931**	**0**	**-10,931**
Assets	**401,563**	**218,273**	**-113,652**	**506,184**	**-89,076**	**417,108**
- of which carrying amount of investments accounted for using the equity method	-306	0		-306	10,114	9,808
- of which investments in intangible assets and property, plant and equipment	21,547	6,921		28,468	-7,264	21,204
Liabilities	**223,738**	**95,932**	**-18,391**	**301,279**	**-89,076**	**212,203**
Sales to external customers break down as follows:						
Advertising	*134,288*	*7,035*		*141,323*	*-6,642*	*134,681*
Subscriptions and sales	*77,600*	*0*		*77,600*	*-20,010*	*57,590*
Other services and goods	*65,797*	*1,718*		*67,515*	*-3,018*	*64,497*

2016 in thousands of euros	Printed Media	Audiovisual Media	Inter-segment elimination	Combined total	Effect IFRS 11	Consoli-dated total
Sales of the segment	295,220	10,810	-1,147	304,883	-28,419	276,464
Sales to external customers	*294,393*	*10,490*		*304,883*	*-28,419*	*276,464*
Sales from transactions with other segments	*827*	*320*	*-1,147*	*0*	*0*	
Depreciation and write-down of (in)tangible assets	-10,633	-189		-10,822	574	-10,248
Write-down of inventories and receivables and provisions	665	0		665	65	730
Share in the result of associated companies and joint ventures	-1,134	0		-1,134	1,853	719
Operating result (EBIT)	**10,640**	**-2,392**		**8,248**	**-836**	**7,412**
Financial income	1,529	3	-118	1,414	-1	1,413
Financial expenses	-6,111	-138	118	-6,131	31	-6,100
Income taxes	-786	52		-734	806	72
Net result from continuing operations	**5,272**	**-2,475**		**2,797**	**0**	**2,797**

2016 in thousands of euros	Printed Media	Audiovisual Media	Inter-segment elimination	Combined total	Effect IFRS 11	Consolidated total
Result from discontinued operations		**17,475**		**17,475**	**0**	**17,475**
Attributable to:						
Minority interests	-1,200	-1		-1,201	0	-1,201
Equity holders of Roularta Media Group	**6,472**	**15,001**		**21,473**	**0**	**21,473**
Assets	**442,496**	**215,259**	**-114,576**	**543,179**	**-99,978**	**443,201**
- of which carrying amount of investments accounted for using the equity method	761	0		761	126,378	127,139
- of which investments in intangible assets and property, plant and equipment	7,783	35,270		43,053	-35,516	7,537
Liabilities	**227,499**	**110,933**	**-19,309**	**319,123**	**-99,977**	**219,146**
Sales to external customers break down as follows:						
Advertising	*141,098*	*7,751*		*148,849*	*-6,819*	*142,030*
Subscriptions and sales	*84,413*	*0*		*84,413*	*-24,835*	*59,578*
Other services and goods	*68,882*	*2,739*		*71,621*	*3,235*	*74,856*

II. Geographical information

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

2017 - from continuing operations in thousands of euros	Belgium	Other countries	Consolidated total
Sales of the segment	254,492	2,276	256,768
Non-current assets (*)	138,051	8,655	146,706
2016 - from continuing operations in thousands of euros	**Belgium**	**Other countries**	**Consolidated total**
Sales of the segment	274,767	1,697	276,464
Non-current assets (*)	138,329	2,093	140,422

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

III. Information about major customers

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

NOTE 3 - SALES - FROM CONTINUING OPERATIONS

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

Sales in thousands of euros	2017	2016
Advertising	134,681	142,030
Subscriptions and sales	57,590	59,578
Printing for third parties	40,856	47,098
Line extensions & other services and goods	23,641	27,758
Total sales	**256,768**	**276,464**

In 2017 a reclassification of revenue took place, as a result of which in 2017 € 4.0 million went from subscriptions to line extensions & other services and goods and in 2016 € 4.4 million.
Bartering contracts included in sales amount to € 13,465K (2016: € 17,645K).

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

Adjusted sales in thousands of euros	2017	2016
Advertising	133,136	142,030
Subscriptions and sales	57,120	59,578
Printing for third parties	40,853	47,098
Line extensions & other services and goods	23,320	27,758
Adjusted sales	**254,429**	**276,464**
Changes in the consolidation scope	2,339	
Total sales	**256,768**	**276,464**

Consolidated sales in 2017, which under IFRS 11 takes no account of joint ventures including Plus Magazine (in Belgium, the Netherlands and Germany), declined (-7.1%, from 276.5 to 256.8 million euros). Adjusted sales, i.e. revenue excluding 2017 acquisitions, decreased by 8.0%. Due to the declining trend in the market, advertising revenues from free newspapers fell by 9.3%. Advertising revenues from the magazines fell by 4.7%. Subscription revenue was stable (-0.2%). Typesetting and printing activities fell by 13.3%, which is largely explained by the decline in commercial printing by the French magazines (ex-subsidiaries of Roularta). Paper sales for these French magazines, on which almost no margin is realised, also resulted in a drop in revenue under miscellaneous revenue (-34.9%). Newsstand sales (-16.1%) decreased in line with the market trend, but mainly due to the loss of the title Royals.

NOTE 4 - SERVICES AND OTHER GOODS - FROM CONTINUING OPERATIONS

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

in thousands of euros	2017	2016
Transport and distribution costs	-17,618	-18,132
Marketing and promotion costs	-22,167	-22,727
Commission fees	-4,920	-4,846
Fees	-27,405	-26,352
Operating leases	-11,390	-12,075
Energy	-2,100	-2,207
Subcontractors and other deliveries	-11,382	-10,939
Remuneration members of the board of directors	-429	-419
Temporary workers	-2,590	-2,326
Travel and reception costs	-1,041	-692
Insurances	-421	-429
Other services and other goods	-593	-494
Total services and other goods	**-102,056**	**-101,638**

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

The fees include editorial, photos and general fees.

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

Services and other goods decreased with € 418K or 0.4% compared to last year.
The largest increase under services and diverse goods can be found in the fees (mostly at Storesquare). The largest decreases are in transport and distribution costs, marketing and advertising costs, and operational leasing.

NOTE 5 - PERSONNEL CHARGES - FROM CONTINUING OPERATIONS

in thousands of euros	2017	2016
Wages and salaries	-64,181	-63,053
Social security contributions	-21,556	-21,204
Share-based payments	-125	-152
Post employment benefit charges	-3,084	-3,084
Other personnel charges	-3,806	-3,896
Total personnel charges	**-92,752**	**-91,389**

Post employment benefit charges in 2017 consist mainly of expenses related to the defined contribution plans of € 2,898K (2016: € 2,892K).
This mainly concerns Belgian schemes financed by group insurance policies that from 2015 are considered under IFRS as a defined benefit plan, see Note 27.

Employment in Full-Time Equivalents	2017	2016
Average number of staff	1,312	1,350
Total employment at the end of the period	1,276	1,354

Concerning the evolution in the number of employees at the end of the financial year, the further reorganisation within the company resulted in a decrease in the number of full-time equivalents.

NOTE 6 - WRITE-DOWN OF INVENTORIES AND RECEIVABLES - FROM CONTINUING OPERATIONS

in thousands of euros	2017	2016
Write-down of inventories	-384	-321
Reversal of write-down of inventories	321	359
Write-down of trade receivables	-4,550	-4,139
Reversal of write-down of trade receivables	4,121	4,143
Reversal of write-down of loans		
Total write-down of inventories and receivables	**-492**	**42**

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

In 2017, the net write-down of inventories amounts to € 63K (2016: net reversal of write-down of € 38K) and the net write-down of trade receivables amounts to € 433K (2016: net reversal of write-down of € 4 K).

NOTE 7 - OTHER OPERATING INCOME / EXPENSES - FROM CONTINUING OPERATIONS

in thousands of euros	2017	2016
Government grants	2,016	2,562
Gains on disposal of intangible assets and property, plant and equipment	157	42
Gains on (partial) disposal of subsidiaries or joint ventures	116	398
Exchange differences	24	19
Miscellaneous financial income and cash discounts	833	458
Miscellaneous cross-charges	415	380
Dividends	3	3
Gain on disposal of other receivables	210	
Miscellaneous income	179	296
Total other operating income	**3,953**	**4,158**

Other operating income primarily relates to government grants received by Roularta Media Group. Miscellaneous income contains in 2017 and 2016 the chargeouts of costs incurred.

The decrease in government grants resulted in a decrease in other operating income.

in thousands of euros	2017	2016
Other taxes	-2,440	-2,851
Losses on disposal of intangible assets and property, plant and equipment	-16	-24
Losses on trade receivables	-167	-317
(Reversal of) less values / (less values) on other current receivables	-284	-160
Exchange differences	-4	-3
Payment differences and bank charges	-498	-546
Miscellaneous expenses	-2,013	-1,819
Total other operating expenses	**-5,422**	**-5,720**

For other operating expenses, the largest decrease can be found in the section other taxes, mainly due to the decrease in municipal taxes as a result of a change in the distribution channels of Deze Week in 2017.

NOTE 8 - RESTRUCTURING COSTS AND OTHER NON-RECURRING RESULTS - FROM CONTINUING OPERATIONS

In 2017 and 2016 there were no significant non-recurring results.

NOTE 9 - NET FINANCE COSTS - FROM CONTINUING OPERATIONS

in thousands of euros	2017	2016
Interest income	883	1,413
Financial income	**883**	**1,413**
Interest expense	-5,741	-6,100
Financial costs	**-5,741**	**-6,100**
Total net finance costs	**-4,858**	**-4,687**

The decrease in interest revenue is largely due to the decrease in the Altice receivable as a result of the receipt of € 16 million in December 2016.
Interest expenses decreased as a result of lower outstanding bank debts.
A description of the hedging instruments can be found in Note 32.

NOTE 10 - INCOME TAXES - FROM CONTINUING OPERATIONS

I. Income taxes - current and deferred

in thousands of euros	2017	2016
A. Income taxes - current		
Current period tax expense	-234	-58
Total current income taxes	**-234**	**-58**
B. Income taxes - deferred		
Related to the origination and reversal of temporary differences	5,485	-1,401
Related to changes in tax rates	-4,719	
Related to the reversal of depreciation (+) or depreciation (-) of deferred tax assets	-15,109	1,531
Total deferred income taxes	**-14,343**	**130**
Total current and deferred income taxes	**-14,577**	**72**

II. Reconciliation of statutory tax to effective tax

in thousands of euros	2017	2016
Result before taxes	-16,893	2,725
Share in the result of associated companies and joint ventures	921	719
Result before taxes, excluding share in result of associated companies and joint ventures	-17,814	2,006
Statutory tax rate	33.99%	33.99%
Tax using statutory rate	**6,055**	**-682**
Adjustments to tax of prior periods (+/-)	84	-62
Tax effect of non-tax deductible expenses (-)	-1,044	-1,176
Tax effect of non-taxable revenues (+)	156	456
Tax effect of not recognising deferred taxes on losses of the current period (-)	-3,782	-1,043
Tax effect from the reversal (utilisation) of deferred tax assets from previous years	-10,591	0
Tax effect of recognising deferred taxes on tax losses of previous periods	0	2,520
Tax effect of change in statutory tax rates	-4,719	0
Tax effect of different tax rates of subsidiaries in other jurisdictions	-186	10
Other increase / decrease in tax charge (+/-)	-550	49
Tax using effective rate	**-14,577**	**72**

in thousands of euros	2017	2016
Result before taxes	-16,893	2,725
Share in the result of associated companies and joint ventures	921	719
Result before taxes, excluding share in result of associated companies and joint ventures	-17,814	2,006
Effective tax rate	-81.83%	-3.59%
Total effective tax	**-14,577**	**72**

The impact of changes in tax rates in 2017 largely comprises the impact of the gradual decrease of the Belgian corporate tax rate to 25%.

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

Deferred taxes relating to items that are charged or credited to equity: in thousands of euros	2017	2016
Costs of issuance and equity increase	0	0
	0	**0**

IV. Tax included in the other comprehensive income

Deferred taxes relating to items included in the other comprehensive income: in thousands of euros	2017	2016
Cash flow hedge gains / losses	16	
Non-current employee benefits - actuarial gain / loss	306	515
Other	6	
	328	**515**

NOTE 11 - DISCONTINUED OPERATIONS

At the beginning of October 2017, the board of directors decided to sell its 50% stake in Medialaan and to buy 50% of Mediafin, the company behind *"De Tijd"* and *"L'Echo"*. Both transactions will result in Roularta receiving a cash balance of approximately € 217.5 million at closing. In the context of research into competitive conditions, the deal had not yet been completed on the balance sheet date. The sale of 50% in Medialaan was completed in January 2018. The acquisition of 50% in Mediafin was completed in March 2018. As a result, the full result of Medialaan, € 18.5 million in 2017 and € 17.5 million in 2016, is stated under 'result from discontinued business activities'.

There are no discontinued operations in 2016.

Result for the period from discontinued operations in thousands of euros	2017	2016
Sales	174,557	171,739
Other gains	641	727
	175,198	**172,466**
Expenses	-151,070	-146,054
Operating result after net finance costs	**24,128**	**26,412**
Attributable income tax expense (-) (income)	-5,618	-8,937
Net result from discontinued operations	**18,510**	**17,475**

NOTE 12 - ASSETS CLASSIFIED AS HELD FOR SALE

As mentioned in Note 11 *Discontinued operations*, the Group decided to discontinue its activities in Medialaan, the Group intends to sell Medialaan in early 2018. As a result, all assets and liabilities related to these activities have been reclassified to 'assets and liabilities held for sale' as of 31 December 2017. The sale was completed at the end of January 2018. In addition to Medialaan, the title 'Ik ga Bouwen & Renoveren' is also held for sale, given the planned sale to Sanoma.

Assets and liabilities held for sale in thousands of euros	2017
Assets related to the activities of the Group in Medialaan	128,541
Intangible asset 'Ik ga Bouwen & Renoveren'	462
	129,003

NOTE 13 - EARNINGS PER SHARE

	2017	2016
I. Movements in number of shares (ordinary shares)		
Number of shares, beginning balance	13,141,123	13,141,123
Number of shares issued during the period	0	0
Number of shares, ending balance	**13,141,123**	**13,141,123**
- of which issued and fully paid	13,141,123	13,141,123
II. Other information		
Number of shares owned by the company or related parties	603,635	612,825
Shares reserved for issue under options	491,435	500,625
III. Earnings per share calculation		
1. Number of shares		
1.1. Weighted average number of shares, basic	12,534,766	12,515,767
1.2. Adjustments to computed weighted average number of shares, diluted	74,743	95,919
Stock option plans	*74,743*	*95,919*
1.3. Weighted average number of shares, diluted	12,609,509	12,611,686

2. Calculation

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

$$\frac{\text{Net result available to common shareholders}}{\text{Weighted average number of shares, basic}} = \frac{-10{,}931\text{ K€}}{12{,}534{,}766} = -0.87$$

$$\frac{\text{Net result available to common shareholders}}{\text{Weighted average number of shares, diluted}} = \frac{-10{,}931\text{ K€}}{12{,}609{,}509} = -0.87$$

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

$$\frac{\text{Net result from continuing operations available to common shareholders}}{\text{Weighted average number of shares, basic}} = \frac{-29{,}441\text{ K€}}{12{,}534{,}766} = -2.35$$

$$\frac{\text{Net result from continuing operations available to common shareholders}}{\text{Weighted average number of shares, diluted}} = \frac{-29{,}441\text{ K€}}{12{,}609{,}509} = -2.33$$

NOTE 14 - DIVIDENDS

	2017	2016
Amount of dividends proposed or declared after the balance sheet date but before authorisation of the financial statements, in thousands of euros	0	6,267
Gross dividend per share in €	0	0.50
Number of shares entitled to dividend on 31/12	13,141,123	13,141,123
Number of own shares on 31/12	-603,635	-612,825
Mutation of own shares 2017 (before General Meeting)	2,400	4,900
	12,539,888	**12,533,198**

NOTE 15 - INTANGIBLE ASSETS AND GOODWILL

2017 in thousands of euros	Titles	Software	Concessions, property rights and similar rights	Total intangible assets	Goodwill
AT COST					
Balance at the end of the preceding period	**82,212**	**28,834**	**16,874**	**127,920**	**997**
Movements during the period:					
- Acquisitions	8,774	2,613		11,387	
- Acquisitions through business combinations		17	4,803	4,820	
- Sales and disposals (-)		-592		-592	
- Reclassified to assets held for sale (-)	-923			-923	
At the end of the period	**90,063**	**30,872**	**21,677**	**142,612**	**997**
DEPRECIATION AND IMPAIRMENT LOSSES					
Balance at the end of the preceding period	**12,385**	**23,127**	**8,009**	**43,521**	**997**
Movements during the period:					
- Depreciation	1,451	2,836	1,472	5,759	
- New consolidations		16		16	
- Impairment loss / reversal recognised in income	2,435		650	3,085	
- Written down after sales and disposals (-)		-587		-587	
- Reclassified to assets held for sale (-)	-462			-462	
At the end of the period	**15,809**	**25,392**	**10,131**	**51,332**	**997**
Net carrying amount at the end of the period	**74,254**	**5,480**	**11,546**	**91,280**	**0**

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

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

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

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

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

In accordance with these valuation rules, the management of RMG has concluded that for 'Sailer' (publications for children in Germany), there is sufficient evidence for a change of estimate and for adjusting the expected life from indefinite to 10 years; € 523K was depreciated. Since July 2016, the lifestyle titles and Inside Beleggen have been depreciated over 3 years: for 2017 this is € 1,290K compared to € 646K in 2016. The new titles 'Sterck' and 'Landleven' will be depreciated over 10 years: for 2017 this is € 386K.

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

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

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

Carrying value of goodwill and intangible assets with indefinite lives:

2017 - Cash-generating unit	in thousands of euros	Intangible assets (*)	Goodwill	Total
News Belgium		42,950		42,950
Business Belgium		14,773		14,773
Free Press Belgium		12,616		12,616
		70,339	**0**	**70,339**

(*) Including € 66,167K titles and € 6,173K property rights.

The most valuable asset in News Belgium is the title Le Vif/L'Express, valued at € 40 million.

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

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

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

Impairment test

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

The Group has calculated the recoverable value of each CGU based on its value in use. For this it uses the discounted cash flow model. The future cash flows used in determining value in use are based on 5-year business plans, as approved by the board of directors. These business plans are based on historical data and future market expectations. As assumptions, an increase of 1% per year is taken for the costs, with a one-off decrease in 2019 for printing costs of 4% due to the Econocom lease costs that cease. Advertising revenue rises on average 1% per year. For the price of subscriptions, 2% is taken every two years.

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

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

The residual value is determined based on a perpetuity formula which assumes a long-term growth in sales of 0% (2016: 2%). This is not higher than the long-term average growth rate of the media industry. The future cash flows are then discounted using an after-tax discount factor of 7.67% (2016: 6.33%; decrease mainly due to decrease of interest expense). Given the specific nature of the Group and its indebtedness as well as the limited availability of comparable companies in the media industry, the board of directors has decided to overweigh the indebtedness of the Group in the calculation of the discount factor. The board of directors concluded that the derived discount factor is appropriate for use in the impairment tests. This discount factor is based on a WACC model in which the risk premium and gearing ratio are based on the profile of Roularta Media Group as a whole and on a group of comparable companies.

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

Sensitivity

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

- Management considers there is no reason to expect in the short term any significant changes in the risk profile of the market or of the company or in cost of equity and debt. However, management has performed a sensitivity analysis on the WACC used on the assumption of constant business plans and an unchanged long-term average growth rate. This shows that a 2% change in the WACC would result in an impairment of approximately € 3.6 million.
- The long-term growth rate used in this calculation is 0%. This percentage is the usual growth rate applied in the media sector, and reflects operators' flexibility to respond to new market conditions. Notwithstanding this, management has performed a sensitivity analysis on long-term growth on the assumption of constant business plans and an unchanged WACC. This shows that a long-term growth rate of -2% would result in an impairment of € 1.1 million.
- If the growth in the market expected from an improved economic environment fails to materialise within the next five years, and on the assumption of unchanging activities at Roularta Media Group and with no efficiency improvements, this can have a significant impact on the tests that have been performed. A sensitivity analysis has been performed for this, whereby the cash flow serving as the basis for the perpetuity is reduced, while WACC and long-term growth rate remain constant. This analysis shows that a 30% reduction in this cash flow would result in an impairment of € 3.1 million.
- A combination of the above three assumptions simultaneously is not considered likely. Management has conducted a sensitivity analysis on the combined effect of a simultaneous change of the following three interrelated assumptions: a 1% increase in WACC, a 1% decline in growth and a 10% reduction in cash flow as a basis for the perpetuity. This analysis shows that, under these combined assumptions, an impairment of approximately € 4.7 million would occur.

Impairment losses recorded

Based on the above tests, € 3,085K in impairments were booked on a number of titles and intangible assets, in the segment Printed Media. In 2017, the title 'Free Press andere landen' was written down for € 2,083K. In addition, the titles 'Grafisch Nieuws' and 'Technisch management' of the cash-generating unit 'Business België', and 'Bodytalk' and 'Roularta.com' of the cash-generating unit 'News België', were written down for € 150K and € 203K respectively. In 2016 no impairment losses were booked on titles.

The headroom (difference between the value in use and the carrying amount) on the cash-generating units is more than double the carrying amount of the unamortised intangible assets. The headroom for the cash-generating units News Belgium and Business Belgium has become limited, and requires extra attention in the coming reporting periods.

For goodwill, based on the above test, 'Beurs Ondernemen' was written down for € 650K in 2017. No impairment loss was recorded in 2016.

NOTE 16 - PROPERTY, PLANT AND EQUIPMENT

2017 in thousands of euros	Land and buildings	Plant, machinery & equipment	Furniture and vehicles	Leasing and other similar rights	Other property, plant & equipment	Assets under construction	Total
AT COST							
Balance at the end of the preceding period	**90,349**	**25,470**	**9,854**	**0**	**173**	**0**	**125,846**
Movements during the period:							
- Acquisitions	598	1,481	317			2,578	4,974
- Acquisitions through business combinations			16		8		23
- Sales and disposals (-)	-414	-1,367	-185				-1,966
- Other increase / decrease (+/-)		64					64
At the end of the period	**90,533**	**25,648**	**10,002**	**0**	**181**	**2,578**	**128,941**
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at the end of the preceding period	**42,389**	**19,201**	**8,086**	**0**	**147**	**0**	**69,823**
Movements during the period:							
- Depreciation	3,555	1,590	409		13		5,567
- New consolidations			11		3		14
- Written down after sales and disposals (-)	-408	-1,361	-185				-1,954
- Other increase / decrease (+/-)		64					64
At the end of the period	**45,536**	**19,494**	**8,321**	**0**	**163**	**0**	**73,514**
Net carrying amount at the end of the period	**44,997**	**6,154**	**1,681**	**0**	**18**	**2,578**	**55,427**

Assets pledged as security	**in thousands of euros**
Land and buildings pledged as security for liabilities (mortgage included)	**9,500**

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

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

NOTE 17 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

I. Overview of significant joint ventures

The following joint venture has a significant effect on the financial position and results of the Group.

Name of joint venture	Main activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights of the Group	
			2017	2016
Bayard Group	Printed Media	Augsburg, Germany	50.00%	50.00%

The joint venture is accounted for by using the equity method of consolidation. In 2017, the decision was taken to sell the participation in the joint venture with Medialaan, therefore this participation is not included in this note anymore.

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

Condensed financial information

Bayard Group

Bayard Group consists of the entities Bayard Media GMBH & CO KG, Bayard Media Verwaltungs GMBH, Senior Publications SA, Senior Publications Nederland BV, Senior Publications Deutschland GMBH & CO KG, Senior Publications Verwaltungs GMBH, Belgomedia SA, J.M. Sailer Verlag GMBH, J.M. Sailer Geschäftsführungs GMBH, Living & More Verlag GMBH (in liquidation), 50+ Beurs & Festival BV, Mediaplus BV and Verlag Deutscher Tierschutz-Dienst GMBH. In 2017, Press Partners BV was sold.

Condensed financial information	in thousands of euros	2017	2016
Fixed assets		17,294	20,084
Current assets		28,060	39,377
- of which cash and cash equivalents		5,124	7,028
Non-current liabilities		-7,418	-9,672
- of which financial liabilities		0	0
Current liabilities		-20,244	-20,207
- of which financial liabilities		0	0
Net assets		17,692	29,582
Sales		57,522	59,000
Depreciation and amortisation		-1,718	-659
Interest income		18	19
Interest expense		-46	-44
Income tax expense		-203	-1,687
Net result for the period		5,075	4,152
Other comprehensive income for the period		24	-45
Total comprehensive income for the period		5,099	4,107
Dividends received during the period		8,496	1,741

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

in thousands of euros	2017	2016
Net assets of the joint venture	17,692	29,582
Share of the Group in Bayard Group	50.00%	50.00%
Carrying amount of the investment in Bayard Group	**8,846**	**14,791**

Bayard Group is part of the Printed Media segment. Bayard Media is the magazine division aiming at the over 50 audience. In addition the Group publishes magazines for children and youth (Sailer Verlag).

The drop in current assets comes mainly from a decrease in intercompany receivable on Roularta Media Group (-€ 6.3 M).

The biggest drop in revenue concerned the Sailer Verlag magazines (-€ 0.5 million), the decrease in magazine advertising revenue at Bayard Media (-€ 0.3 million) and Senior Publications Nederland (-€ 0.3 million). This decrease in revenue was compensated for by lower costs and lower taxes on the result. The largest increase in depreciation comes from the title Sailer (€ 0.5 million), for which a change in accounting estimate has occurred and the title has been depreciated over 5 years since January 2017.

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

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

This category consists of the entities De Woonkijker NV, Regionale Media Maatschappij NV, Regionale TV Media NV, Proxistore NV, CTR Media SA, Click Your Car NV, Yellowbrick NV, Repropress CVBA, 4 All Solutions NV. Twice Entertainment BVBA is sold in June 2017 and Febelma Regie CVBA was liquidated.

Condensed financial information	in thousands of euros	2017	2016
Share of the Group in the result for the period		-1,616	-1,357
Share of the Group in other comprehensive income for the period		0	0
Share of the Group in total comprehensive income for the period		-1,616	-1,357
Total carrying amount of other investments held by the Group		**962**	**1,931**
Amounts receivable - other investments held by the Group		**477**	**583**

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

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

in thousands of euros	2017	2016
Balance at the end of the preceding period	127,139	120,011
Movements during the period:		
- Share in the result of associated companies and joint ventures	922	719
- Result of discontinued operations	18,510	17,475
- Share of other comprehensive income of joint ventures and associates	12	-280
- Dividends	-8,496	-11,741
- Provision for additional losses	426	107
- Effect group change (2017: Medialaan, Twice & Proxistore, 2016: Proxistore)	-128,705	848
- Other changes		
Balance at the end of the period (investments, amounts receivable not included)	**9,808**	**127,139**

NOTE 18 - AVAILABLE-FOR-SALE INVESTMENTS, LOANS AND GUARANTEES

I. Available-for-sale investments

in thousands of euros	2017	2016
AT COST		
At the end of the preceding period	**990**	**991**
Movements during the period:		
- Acquisitions	75	
- Disposals (-)	-587	-1
At the end of the period	**478**	**990**
IMPAIRMENT LOSSES (-)		
At the end of the preceding period	**-361**	**0**
Movements during the period:		
- Impairment loss / reversal recognised in income	147	-361
At the end of the period	**-214**	**-361**
Net carrying amount at the end of the period	**264**	**629**

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

The decrease in participating interests is mainly due to the sale of the participating interests of NV Roularta Media Group in NV Omroepgebouw Flagey (net carrying amount € 440K). The largest participations in 2017 are CPP Incofin (€ 124K) and Bedrijvencentrum Regio Roeselare (€ 50K). Given the impossibility of reliably estimating the fair value of the other investments, financial assets for which there is no active market are valued at cost. In 2016, an impairment was booked on these shares based on the equity and results of the companies concerned.

II. Loans and guarantees

in thousands of euros	2017	2016
AT AMORTISED COST		
At the end of the preceding period	**1,841**	**1,853**
Movements during the period:		
- Reimbursements	-1	-12
At the end of the period	**1,840**	**1,841**
IMPAIRMENT LOSSES		
At the end of the preceding period	**0**	**0**
Movements during the period:		
At the end of the period	**0**	**0**
Net carrying amount at the end of the period	**1,840**	**1,841**

Total available-for-sale investments, loans and guarantees	**2,104**	**2,470**

The loans and guarantees include various guarantees for € 1,840K (2016: € 1,841K).

NOTE 19 - TRADE AND OTHER RECEIVABLES

I. Trade and other receivables, non current — in thousands of euros	2017	2016
Trade receivables	0	0
Other receivables	600	15,568
Total trade and other receivables - non current	**600**	**15,568**

The other receivables relate to a receivable arising from the sale of the French activities. This is interest-bearing and is guaranteed. Since the remaining €15 million will be received in 2018, this receivable has been transferred to the short term.

At the end of the financial year, doubtful receivables are estimated based on an assessment of all outstanding amounts. Doubtful debtors are written off in the year in which they are identified as such.

In 2017 and 2016 there were no doubtful non current receivables.

II. Trade and other receivables, current	in thousands of euros	2017	2016
Trade receivables, gross		53,068	54,943
Allowance for bad and doubtful debts, current (-)		-4,628	-4,123
Invoices to issue and credit notes to receive (*)		4,124	3,590
Amounts receivable and debit balances suppliers		677	896
VAT receivable (*)		566	259
Other receivables, gross		16,424	18,682
Allowance for other receivables		-316	-258
Total trade and other receivables - current		**69,915**	**73,989**

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

There was no significant concentration of credit risks with a single counterparty at 31 December 2017. The unsettled receivables are spread over a large number of customers, there is only one customer with an outstanding balance representing just over 10% of total trade receivables.

Analysis of the age of current trade receivables:	in thousands of euros	2017	2016
Net carrying amount at the end of the period		**53,068**	**54,943**
- of which:			
* not due and due less than 30 days		40,493	43,015
* due 30 - 60 days		4,254	3,102
* due 61 - 90 days		1,690	1,232
* due more than 90 days		6,632	7,594

Financial assets that have fallen due at reporting date, but on which no write-down has been taken: past-due amounts have not been written down where collection is still deemed likely.
Claims that are more than 120 days overdue will be fully provisioned as will claims that are being handled via a debt collection agency or attorney.
At the end of the financial year, doubtful receivables are estimated based on an assessment of all outstanding amounts. Doubtful debtors are written off in the year in which they are identified as such.

Movements during the period of the allowance for bad and doubtful debts (trade debts):	in thousands of euros	2017	2016
Net carrying amount at the end of the preceding period		**-4,123**	**-4,181**
- Amounts written off during the year		-4,550	-4,139
- Reversal of amounts written off during the year		4,121	4,143
- Receivables derecognised as uncollectible and amounts collected in the financial year		-76	54
Net carrying amount at the end of the period		**-4,628**	**-4,123**

In most Group companies, based on the year-end evaluation the provision from the end of the previous year is reversed and a new provision is recorded.
Realised losses on receivables (also on receivables provisioned at the end of the previous financial year) are detailed in Note 6.

Movements during the period of the allowance for doubtful debts (other receivables):	in thousands of euros	2017	2016
Net carrying amount at the end of the preceding period		**-258**	**-112**
- Amounts written off during the year		-240	-150
- Reversal of amounts written off during the year		182	4
Net carrying amount at the end of the period		**-316**	**-258**

NOTE 20 - DEFERRED TAX ASSETS AND LIABILITIES

I. Overview deferred tax assets - liabilities

Recognised deferred tax assets and liabilities are attributable to:	in thousands of euros	2017		2016	
		Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets		676	16,057	920	20,320
Property, plant and equipment		5	5,600	7	8,133
Available-for-sale investments, loans, guarantees			3,404	16	5,161
Trade and other receivables			163		
Treasury shares			15		21
Retained earnings			522		1,423
Provisions		1,204		1,894	
Non-current employee benefits		1,566		1,446	
Other payables		7			29
Total deferred taxes related to temporary differences		**3,458**	**25,761**	**4,283**	**35,087**
Tax losses		12,438		32,807	
Tax credits		15,243		18,739	
Set off tax		-24,576	-24,576	-34,566	-34,566
Net deferred tax assets / liabilities		**6,563**	**1,185**	**21,263**	**521**

Deferred tax assets have not been recognised in respect of tax losses for an amount of € 60,638K (2016: € 64,902K) and in respect of temporary differences of € 1K (2016: € 1K) because it is not probable that taxable profit will be available against which they can be utilised in the near future.

Roularta Media Group recognised deferred tax assets amounting to € 155K (2016: € 551K) of affiliates which suffered losses in the current or previous period. Budgets, however, indicate that these affiliates will generate sufficient taxable profit in the near future to utilise the recognised deferred tax assets.

II. Deferred taxes on tax losses carried forward and tax credits

in thousands of euros	2017		2016	
	Tax losses carried forward	Tax credits	Tax losses carried forward	Tax credits
Year of expiration				
2017				140
2018		254		254
Without expiration date	12,438	14,989	32,807	18,345
Total deferred tax asset	**12,438**	**15,243**	**32,807**	**18,739**

NOTE 21 - INVENTORIES

in thousands of euros	2017	2016
Gross amount		
Raw materials	4,389	5,340
Work in progress	768	611
Finished goods	184	187
Goods purchased for resale	590	411
Contracts in progress	0	8
Total gross amount (A)	**5,931**	**6,557**
Write-downs and other reductions in value (-)		
Finished goods	-163	-161
Goods purchased for resale	-220	-160
Total write-downs (B)	**-383**	**-321**
Carrying amount		
Raw materials	4,389	5,340
Work in progress	768	611
Finished goods	21	26
Goods purchased for resale	370	251
Contracts in progress	0	8
Total carrying amount at cost (A+B)	**5,548**	**6,236**

NOTE 22 - SHORT-TERM INVESTMENTS, CASH AND CASH EQUIVALENTS

I. Short-term investments	in thousands of euros	2017	2016
AT COST			
At the end of the preceding period		**306**	**306**
Movements during the period:			
- Reimbursements and sales		-306	
At the end of the period		**0**	**306**
FAIR VALUE ADJUSTMENTS			
At the end of the preceding period		**-260**	**-260**
Movements during the period:			
- Reimbursements and sales		260	
At the end of the period		**0**	**-260**
Net carrying amount at the end of the period		**0**	**46**

The investments consist of two elements.
The short-term investments relate on the one hand to short-term investments that were redeemed in 2017: € 0K (2016: € 0K).
On the other hand the short-term investments consist of rights to the producer's share in net income under a tax shelter agreement. On these, valuation allowances are recorded, where applicable, to reflect the evolution of the market value. This tax shelter is no longer applicable in 2017.

II. Cash and cash equivalents	in thousands of euros	2017	2016
Bank balances		37,979	45,233
Short-term deposits		5,000	5,325
Cash at hand		5	7
Total cash and cash equivalents		**42,984**	**50,565**

NOTE 23 - EQUITY

Issued capital

At 31 December 2017, the issued capital amounted to € 80,000K (2016: € 80,000K) represented by 13,141,123 (2016: 13,141,123) fully paid-in ordinary shares. These are no-par shares.

Treasury shares

At 31 December 2017 the Group owns 603,635 own shares (2016: 612,825).
During the financial year, 9,190 own shares were granted to the holders of options at the moment of the exercise of their options.

Other reserves

in thousands of euros	2017	2016
Share premium	304	304
Costs of issuance and equity increase (net after deferred taxes)	-1,275	-1,275
Reserves for share-based payments	5,754	5,628
Reserves for actuarial gain / loss employee benefits	-3,554	-1,691
Total other reserves	**1,229**	**2,966**

The reserves for share-based payments relate to the share options allocated as described in Note 24.

NOTE 24 - SHARE-BASED PAYMENTS

Various subscription rights and stock option plans have been issued by NV Roularta Media Group with the intention of allowing management and executive employees to benefit from the growth of the company and the evolution of the Roularta share. All subscription rights and stock option plans are settled in equity instruments, whereby each plan provides that one option or one subscription right entitles its holder to one Roularta share against payment of the exercise price. Options become unconditional when the employment contract or directorship has not ended at the time of the next exercise period. An overview of existing subscription rights and stock option plans follows.

Subscription rights

There are no subscription rights outstanding per 31 December 2017.

Stock option plans

The Appointments and Remuneration Committee decides on the allocation of the option plans as a function of executives' and managers' performance, their contribution to achieving Group objectives and their commitment to the long-term development of Group strategy.

The exercise price of an option is determined on the basis of the average closing price of the share during the thirty days prior to the option offering date or at the price corresponding to the last closing price preceding the offering date. The vesting period of the share options is stated in the following schedule. If the share option remains unexercised during the last exercise period, the share option expires. The share options which are not yet exercisable are forfeited if a member of management or an executive employee leaves the company before the last exercise period, except in case of retirement or decease.

Overview of the stock option plans to be exercised offered to the management and executive employees:

Year of offering	Options offered	Options granted	Options to be exercised	Exercise price in €	First exercise period	Last exercise period
2006	300,000	267,050	164,950	53.53	01/01 - 31/12/2010	01/01 - 31/12/2021
2008	300,000	233,650	135,400	40.00	01/01 - 31/12/2012	01/01 - 31/12/2023
2009	269,500	199,250	81,385	15.71	01/01 - 31/12/2013	01/01 - 31/12/2019
2015	203,750	114,700	109,700	11.73	01/01 - 31/12/2019	01/01 - 31/12/2025
	1,073,250	**814,650**	**491,435**			

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

	2017		2016	
	Number of share options	Weighted average exercise price in €	Number of share options	Weighted average exercise price in €
Outstanding at the beginning of the year	**500,625**	**33.87**	**569,800**	**33.58**
Forfeited during the year			-40,850	42.38
Exercised during the year	-9,190	15.71	-28,325	15.71
Outstanding at the end of the year	**491,435**	**34.21**	**500,625**	**33.87**
Exercisable at the end of the year	327,483		323,585	

During the year, 9,190 share options were exercised. In 2016, 28,325 share options were exercised. The share options outstanding at the end of the year have a weighted average remaining term of 4.8 years.

The weighted average share price at the date of exercise in 2017 was € 25.55 (2016: € 24.80).

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

In 2017 the Group recognised € 125K (2016: € 152K) as personnel cost relating to equity-settled share-based payment transactions. All stock option plans granted as of 7 November 2002 are recognised in profit and loss.

NOTE 25 - PROVISIONS

2017 Provisions, non current in thousands of euros	Legal proceeding provisions	Environ-mental provisions	Restruc-turing provisions	Other provisions	Total
At the end of the preceding period	**3,301**	**4**	**0**	**4,075**	**7,380**
Movements during the period:					
- Additional provisions	360			83	443
- Increase / decrease to existing provisions	630	5		476	1,111
- Amounts of provisions used (-)	-3			-1,520	-1,523
- Unused amounts of provisions reversed (-)				-370	-370
At the end of the period	**4,288**	**9**	**0**	**2,744**	**7,041**

Provisions for pending disputes relate largely to disputes at NV Roularta Media Group, for which an additional provision was booked related to InfoBase. A description of the significant litigations can be found in Note 26. The environmental provisions relate to provisions for soil decontamination. The other provisions include the provision for the remaining lease obligations related to a disused printing press.

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

NOTE 26 - SIGNIFICANT LITIGATIONS

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

NV Kempenland is claiming damages for failure to honour a printing contract with De Streekkrant-De Weekkrantgroep. The Turnhout Commercial Court condemned De Streekkrant-De Weekkrantgroep on 12 September 2013 in first instance to pay SA Kempenland the sum of: EUR 3.96 million in principal; EUR 4.06 million in overdue interest; the court costs. On appeal the ruling of the first court was broadly confirmed. However, NV Kempenland's claim for capitalisation of interest was rejected on appeal. The amount which NV Roularta Media Group was condemned to pay was paid to the opposing party at the end of December 2015. An appeal was filed by Roularta Media Group before the Belgian Supreme Court. The Belgian Supreme Court set aside the judgement only with respect to the amount of the litigation costs of appeal owed by the Roularta Media Group. The case was referred to the Ghent Court of Appeal. The pending discussion between Kempenland and RMG concerning allocation of the payments made during the course of the dispute and deposits paid against the final amount of the sentence pursuant to the judgement of the Court of Appeal (principal, interest and fees) was submitted for judgement to the attachment court of the judicial district of Ghent, Kortrijk division. The attaching court confirmed in its decision of 18 December 2017 that the position and the principles applied by Roularta Media Group when allocating the payments are correct. The arguments were reopened for preparing the effective settlement. The attaching court's intervening order was served to Kempenland at the end of February 2018. For this pending discussion, Roularta Media Group set aside a provision of € 0.5 million at the end of 2015.

On 30 December 2011 a writ was served on NV Roularta Media Group and NV Vogue Trading Video by SAS QOL and SAS QOL FI for damages allegedly suffered from non-compliance with contractual obligations. The total claim amounts to € 4.7 million. The claim was dismissed in first instance by the Commercial Court of Brussels as completely unfounded. SAS QOL and SAS QOL FI have since lodged an appeal against this first judgement. The Court of Appeal of Brussels ruled in a judgement of 24 October 2017 that the appeal was unfounded. There is currently no certainty whether SAS QOL and SAS QOL FI will comply with the intervening judgement. Having the judgement served in order to start the period for appeal in cassation is being considered. No provision has been set aside for this dispute.

With the acquisition of all shares of NV Coface Services Belgium (later on Euro DB) RMG inherited a pending legal dispute with InfoBase. InfoBase claims that the counterfeiting for which Coface Services Belgium was condemned in the past by the Nivelles Court of First Instance (judgement of 15 November 2006) has continued. Based on this judgement, whereby Coface Services Belgium SA was sentenced to immediate cessation of this counterfeiting under penalty of a fine of € 1,000 per day, InfoBase has proceeded systematically to claim periodic penalty payments. A provision has been set aside by Roularta Media Group for these penalty payments. The provision set aside at the end of December 2017 amounts to € 2.74 million.

By judgement of the Nivelles judge of attachments of 5 January 2015 Euro DB was sentenced to pay € 1.28 million of forfeited penalties and costs. This amount was placed by Euro DB on a blocked account with the Deposit and Consignment Office. Euro DB has appealed against the judgement of the Nivelles judge of attachments. In a judgement of the Court of Appeal of 5 December 2017, the judgement of the Court of Appeal of Nivelles of 5 January 2015 was partially confirmed, and Roularta Media Group was ordered to pay an amount of € 925K for imposed penalty payments.

The Brussels Court of Appeal ruled on 17 February 2017 that the appeal brought by InfoBase against the judgement of the Brussels court of first instance on 12 February 2015 was well-founded, and ordered Euro DB (now Roularta Media Group) to pay InfoBase compensation of 39,000 euros in principal, plus the statutory interest from 1 June 2011 and the court costs. In the same judgement, the Court of Appeal of Brussels also ruled that the sui generis right to protection of a database to which InfoBase is appealing, lapses after 15 years and the protection thus ended on 1 January 2013. No appeal in cassation was lodged against this judgement.

Nevertheless, the lawyer for InfoBase continues serving orders for penalty payments on the basis of the judgement of 15 November 2006. A further provision is being set aside for these penalty payments.

On the basis of this last judgement, Roularta Media Group has initiated proceedings to cancel the penalty payment. Trial briefs are currently being exchanged between the parties in these proceedings.

NOTE 27 - NON-CURRENT EMPLOYEE BENEFITS

I. General overview

in thousands of euros	2017	2016
Defined benefit plans	1,833	412
Redundancy payments	0	356
Other long-term employee benefits	4,741	4,311
Future tariff benefits on subscriptions	*615*	*645*
Employee retirement premiums	*309*	*470*
Jubilee premiums	*3,817*	*3,196*
At the end of the period	**6,574**	**5,079**

II. Defined benefit plans

Various defined benefit pension plans exist within the Group, whereby remuneration is dependent on the number of years' service and salary levels.
For the Belgian plans the assets are held in funds as required by law.

For each plan the pension costs are calculated separately by an actuary based on the 'projected unit credit' method. Using this method obligations in respect of previous years' service and built-up fund investments are calculated, with the difference between the two (net value) shown by the Group in the balance sheet.

Under Belgian law, defined contribution plans are subject to minimum guaranteed rates of return. As from 2016 onwards, the minimum guaranteed rate of return on new contributions will be linked to the yield of Belgian linear bonds with a term of 10 years, with a minimum of 1.75% and a maximum of 3.75%. These returns are being calculated as an average over the service period of the employee. Because of this minimum guaranteed rate of return, all Belgian defined contribution plans are considered as a defined benefit plan under IFRS.

in thousands of euros	2017	2016
A. Amounts recognised in the balance sheet		
Net funded defined benefit plan obligation (asset)	1,833	412
1. Present value of funded or partially funded obligation	39,879	36,025
2. Fair value of plan assets (-)	-38,046	-35,613
Defined benefit plan obligation, total	**1,833**	**412**
B. Net expense recognised in income statement and other comprehensive income		
Recognised in income statement		
1. Current service cost	2,694	2,578
2. Interest cost (+)	718	766
3. Interest income (-)	-738	-794
Total net expense recognised in income statement	***2,674***	***2,550***
Recognised in other comprehensive income		
1. Net actuarial (gain) loss recognised	1,201	48
Total net expense recognised in other comprehensive income	***1,201***	***48***
Net expense recognised in income statement and other comprehensive income	**3,875**	**2,598**
C. Movements in the present value of the defined benefit plan obligation		
Present value of the defined benefit plan obligation, beginning balance	**36,025**	**31,694**
1. Current service cost	2,694	2,578
2. Interest cost	718	766
3. Net actuarial (gain) loss recognised	1,270	3,271
- of which actuarial (gain) loss due to experience adjustments	*530*	*643*
- of which actuarial (gain) loss due to changes in valuation	*740*	*2,627*
4. Contribution by the plan's participants	359	351
5. Benefits paid (-)	-1,188	-2,635
Present value of the defined benefit plan obligation, ending balance	**39,879**	**36,025**

in thousands of euros	2017	2016
D. Movements in the fair value of plan assets		
Fair value of plan assets, beginning balance	**35,613**	**31,477**
1. Interest income	738	794
2. Return on assets, excluding amounts included in interest income	69	3,222
3. Contributions by employer	2,454	2,404
4. Contribution by the plan's participants	359	351
5. Benefits paid (-)	-1,187	-2,635
Fair value of plan assets, ending balance	**38,046**	**35,613**
E. Principal actuarial assumptions		
1. Discount rate	2.02%	2.01%
2. Expected return on plan assets	2.02%	2.01%
3. Expected rate of salary increase	3.0%	3.0%
4. Future defined benefit increase	2.0%	2.0%

in thousands of euros	2017	2016	2015	2014
Present value of defined benefit obligation	39,879	36,025	1,973	1,936
Fair value of plan assets	38,046	35,613	1,821	1,317
Deficit / (surplus)	**1,833**	**412**	**152**	**619**
Experience adjustments on plan liabilities: increase (decrease)	530	643	5	271
Return on assets, excluding amounts included in interest income	69	3,222	420	-3

For defined benefit pension plans a defensive investment strategy is applied, with investment mainly in fixed income securities, so as to guarantee the safety, return and liquidity of the investments, with judicious diversification and spread of investments.

The major categories of plan assets, and the percentage that each major category constitutes of the fair value of the total plan assets, are as follows:

	2017	2016
Fixed income securities and cash	4.2%	4.2%
Equity instruments	0.2%	0.2%
Property	0.3%	0.3%
Insurance contract	95.3%	95.3%

The Group expects to make a contribution of € 2,128K to the defined benefit plans (including the Belgian group insurance contracts) in 2018 (2017: € 2,153K).

Sensitivity

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

III. Defined contribution plans

Several defined contribution plans exist within the Group. For the Belgian plans the Law on Supplementary Pensions provides that the employer must guarantee a minimum return (see Note 27 section II). Because of this minimum guaranteed rate of return, all Belgian defined contribution plans are considered as a defined benefit plan under IFRS as from 2015.

Summary of defined contribution plans (including Belgian plans) — in thousands of euros	2017	2016
Contributions paid - employer	2,899	2,892
Contributions paid - employee	340	332

IV. Stock options and subscription rights

We refer to Note 24.

NOTE 28 - FINANCIAL DEBTS

2017 — in thousands of euros	Current		Non current		
Financial debts	**Up to 1 year**	**2 years**	**3 to 5 years**	**over 5 years**	**Total**
Debentures	99,963				99,963
Credit institutions	1,288	556	1,654	2,075	5,573
Total financial debts according to their maturity	**101,251**	**556**	**1,654**	**2,075**	**105,536**

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

In September 2012, RMG carried out a public bond offering. With an issue date of 10 October 2012, this six-year, € 100 million bond offered a fixed annual gross interest rate of 5.125%. The bond loan will be repaid in 2018.

The Group's lenders, except for its bond holders, have imposed covenants calculated on combined financial information where joint ventures are consolidated using the proportionate method of consolidation. These covenants relate to the debt ratio (net financial debt/EBITDA must be less than 3), interest coverage (EBITDA/net financing expenses must be greater than 4), gearing (net debt/equity must be less than 80%), solvency (minimum 25%) and dividends. Net financial debt is defined as the sum of the long and short-term financial debts, less cash & cash equivalents and the market value of treasury shares. The Group did not breach any of its covenants imposed on 31 December 2017.

The guaranteed debts included in the financial debts can be summarised as follows *(in thousands of euros)*:

Credit institutions	2,441

These are guaranteed by *(in thousands of euros)*:

Mortgages registered on the Group's land and buildings	9,000
Pledges	2,500

For further information on the Group's exposure to interest and exchange rate risks, see Note 32 Financial instruments – risks and fair value.

NOTE 29 - OTHER NOTES ON LIABILITIES

2017	in thousands of euros	Current		Non current		
Trade and other payables		**Up to 1 year**	**2 years**	**3 to 5 years**	**over 5 years**	**Total**
Trade payables		38,879				38,879
Advances received		18,743				18,743
Current employee benefits		14,603				14,603
- of which payables to employees		*10,520*				*10,520*
- of which payables to Public Administrations		*4,083*				*4,083*
Taxes		111				111
Other payables		11,655			287	11,942
Accrued charges and deferred income		7,589				7,589
Total amount of payables according to their maturity		**91,580**	**0**	**0**	**287**	**91,867**

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

Current trade payables	**in thousands of euros**	**2017**	**2016**
Trade payables		22,129	27,949
Invoices to be received / credit notes to issue (*)		15,527	13,438
Credit balances trade receivables		1,223	879
Total current trade payables		**38,879**	**42,266**

Current other payables	**in thousands of euros**	**2017**	**2016**
Indirect tax payable (*)		2,763	4,894
Other payables		8,892	11,348
Total current other payables		**11,655**	**16,242**

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

Accrued charges and deferred income	**in thousands of euros**	**2017**	**2016**
Accrued interest		1,180	1,195
Accrued charges and deferred income (*)		6,409	6,522
Total accrued charges and deferred income		**7,589**	**7,717**

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

NOTE 30 - FINANCE AND OPERATING LEASES

Since the end of 2016 there were no more ongoing finance leases.

Operating leases

in thousands of euros	2017	2016
Lease payments recognised as an expense in the period	11,390	12,075

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

Non-cancellable future minimum operating lease payments: in thousands of euros	2017	2016
< 1 year	11,527	12,698
1 to 5 years	4,138	13,284
> 5 years	13	7
	15,678	**25,989**

NOTE 31 - CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The Group doesn't provide securities for obligations anymore in 2017 and 2016. Pledges totalling € 2,500K (2016: € 2,500K) were given on business assets.

The Group's contractual obligations to buy paper from third parties amount to € 4,761K (2016: € 2,437K).

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

NOTE 32 - FINANCIAL INSTRUMENTS - RISKS AND FAIR VALUE

In the exercise of its business activity the Group is exposed to currency, interest rate, credit and market risks. Derivatives are used to reduce the currency and interest risks.

A. Currency risk

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

With regard to the purchases and the firm commitments to purchase film rights in USD in the Audiovisual Media segment, the Group uses foreign exchange contracts to hedge the risk of changes in the fair value of a recognised asset or liability, or a non-recognised definite undertaking in the context of its commercial activities. The forward contracts used for these hedges do not have a direct impact on the financial position or results of the Group as these instruments are only used by associates which are consolidated by the equity method and, therefore, are only reflected in the share in the result of associates and joint ventures.
Despite these hedging instruments, fluctuations in the USD can have a limited impact on the Group's operating results.

Financing activities
As of 31 December 2017 and 31 December 2016, there are no financing activities with a potential currency risk.

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

B. Interest rate risk

The maturity dates of the financial debts and liabilities are given in Note 28.

The debentures and loans of credit institutions have fixed or variable interest rates.

The table below summarises the effective interest rates at balance sheet date of these interest-bearing loans (debentures and credit institutions):

Interest rate in thousands of euros	2017	2016	Effective interest rate
Fixed interest rate	120	360	from 1.5% to 3.5%
Fixed interest rate	99,979	101,236	from 4% to 6%
Fixed interest rate with variable margin	4,825	5,875	from 2.5% to 5.5%

Next to these loans, at 31 December 2017, the Group had negative overdrafts with credit institutions for € 612K (2016: € 583K). These carried variable market interest rates.

Loans towards associates and joint ventures, which are recorded under other loans, have a fixed interest rate which is revisable after three or five years.

In order to hedge the risks of unfavourable interest rate fluctuations, the Group has used financial instruments (IRS contracts) in the past.

As of 31 December 2017, there was one financial instrument that is recognised as a cash flow hedging contract in accordance with the rules defined in IAS 39. It is an Interest Rate Swap. There were none in 2016.

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

By the end of 2017, like by the end of 2016, there were no such contracts anymore.

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

2017	in thousands of euros	Evolution market values	Recognised in equity	Recognised in profit and loss
Interest Rate Swap				
No cash flow hedge		*-64*	*-64*	
		-64	**-64**	**0**

2016: nihil

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

Estimated sensitivity to interest rate fluctuations
As there are no loans outstanding in 2017 that carry a variable interest rate, the Group is not subject to sensitivity related to interest rate fluctuations per 31 December 2017.

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

To control this credit risk, credit investigations are performed on customers which request major credit facilities. Where the outcome is negative, credit is refused or restricted. In addition, the Group also uses trade finance instruments, such as letters of credit, to cover its credit risk and credit insurances are concluded for a limited percentage of the foreign clients of the printing works.

There was no significant concentration of credit risks with a single counterparty at 31 December 2017.

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

The carrying value of the financial assets presents the Group's maximum exposure to credit risk. The carrying value is reported including impairments. An overview of this carrying value can be found under item F. Impairment charges are detailed in Note 19.

D. Liquidity risk
An analysis of the maturity dates of the financial liabilities can be found in Note 28 and is summarised below, together with the interest costs.

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

The Group expects to meet its obligations through operating cash flows and current liquid assets. In addition, the Group has various short-term credit lines for a total amount of € 47,550K (2016 : € 8,000 K). These form an additional working capital buffer. The same covenants apply to the credit lines as mentioned in Note 28. At the end of 2017 and 2016, no use was made of the credit lines.

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

Financial debts 2017	in thousands of euros	Current		Non current		
		Up to 1 year	2 years	3 to 5 years	over 5 years	Total
Total financial debts according to their maturity		101,251	556	1,654	2,075	105,536

Interest costs	in thousands of euros	Current		Non current		
		Up to 1 year	2 years	3 to 5 years	over 5 years	Total
Debentures		5,125				5,125
Credit institutions		165	155	342	183	845

E. Capital management
Roularta Media Group is constantly seeking to improve its balance sheet structure (combination of debt and equity). The main objective of its balance sheet structure is to maximise shareholder value whilst retaining the desired financial flexibility for undertaking strategic projects.

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

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

		2017		2016	
in thousands of euros	Note	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets					
Available-for-sale investments, loans and guarantees	18	2,104	2,104	2,470	2,470
Trade and other receivables	19	600	600	15,568	15,568
Current assets					
Trade and other receivables	19	65,225	65,225	70,140	70,140
Short-term investments	22	0	0	46	46
Cash and cash equivalents	22	42,984	42,984	50,565	50,565

in thousands of euros	Note	2017 Carrying amount	2017 Fair value	2016 Carrying amount	2016 Fair value
Non-current liabilities					
Financial debts	28	-4,285	-4,814	-105,825	-111,474
Other payables	29	-287	-287	-37	-37
Current liabilities					
Financial debts	28	-101,251	-104,146	-2,229	-2,502
Trade payables	29	-23,351	-23,351	-28,828	-28,828
Advances received	29	-18,743	-18,743	-17,582	-17,582
Other payables	29	-8,892	-8,892	-11,348	-11,348
Accrued interests	29	-1,180	-1,180	-1,195	-1,195

We mention below the main methods and assumptions used for estimating the fair values of financial instruments which are included in the overview.

Available-for-sale investments
As mentioned in Note 18, because no reliable estimate can be made of the fair values of the investments in this heading, financial assets for which no active market exists are valued at cost.

Loans, guarantees, trade and other receivables, trade and other payables
For amounts receivable and payable with original maturities of under one year, the nominal value is deemed to reflect the fair value, given the short maturities. For amounts receivable after one year it has been established that carrying value reflects the fair value.

Financial debts
The fair value of loans and finance leases is calculated based on the present value of the expected future cash flows of redemption and interest payments.

Other liabilities
For short-term liabilities the nominal value is deemed to reflect the fair value, given the short maturities. For trade payables with terms of more than one year it has been established that the carrying value reflects the fair value. For financial derivatives the fair value is established on the basis of the market valuation at balance sheet date.

Fair value hierarchy
As of 31 December 2017, the Group held no financial instruments measured at fair value.

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

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

The following hierarchy is used for determining and disclosing the fair value of financial instruments by valuation technique:
- level 1: quoted prices in active markets for identical assets or liabilities
- level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

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

NOTE 33 - CASH FLOW RELATING TO ACQUISITION OF SUBSIDIARIES

The following acquisitions took place in 2017: on 1 July 2017, Roularta Media Group acquired 100% participation in the capital of Bright Communications and of Bright Communications Antwerpen.

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

The 2017 acquisitions were accounted for using the purchase method in accordance with IFRS 3 *Business Combinations* (revised).

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

in thousands of euros	2017	2016
ASSETS		
Non-current assets	**4,815**	**0**
Intangible assets	4,805	
Property, plant and equipment	10	
Current assets	**1,398**	**0**
Trade and other receivables	744	
Short-term investments	4	
Cash and cash equivalents	650	
Total assets	**6,213**	**0**

LIABILITIES		
Non-current liabilities	**1,266**	**0**
Other payables	1,266	0
Current liabilities	**774**	**0**
Trade payables	129	
Advances received	241	
Employee benefits	45	
Taxes	293	
Other payables	54	
Accrued charges and deferred income	12	
Total liabilities	**2,040**	**0**
Total net assets acquired	**4,173**	**0**
Net assets acquired	4,173	0
Consideration paid / to pay in cash and cash equivalents	**4,173**	**0**
Deposits and cash and cash equivalents acquired	-650	0
Net cash outflow	**3,523**	**0**

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

2017	in thousands of euros	Sales of the period	Net result of the period
- Bright Communications		851	121
- Bright Communications Antwerpen		811	-54

If the acquisitions of these participations had taken place on 1 January 2017, there would be no major effect on the amount of revenue and result recorded.

In 2017, Roularta Media Group participated in the capital increase of Proxistore for an amount of € 231K. This capital increase did not change the participation percentage. In January 2016, Roularta Media Group participated in the capital increase of Proxistore for an amount of € 450K. Proxistore NV is accounted for by using the equity method of consolidation.

NOTE 34 - CASH FLOW RELATING TO DISPOSAL OF SUBSIDIARIES

During the financial year, the subsidiaries Twice Entertainment BVBA and Twice Technics BVBA were sold, for which € 125K was received. In 2016, there were no disposals of subsidiaries.

In 2017 € 17 million was received related to the French operations in 2015, in 2016 € 16 million.

NOTE 35 - INTEREST IN ASSOCIATES AND JOINT VENTURES

Note 17 shows the condensed financial information related to the interests in associates and joint ventures.

NOTE 36 - EVENTS AFTER THE BALANCE SHEET DATE

Following significant events occurred after the balance sheet date:

In October 2017 the sale of the Medialaan Group to De Persgroep was announced. The sale was completed in January 2018.

Together with the sale, the purchase of 50% of the shares of Mediafin (newspapers De Tijd and L'Echo) was agreed, which was completed in March 2018. A capital gain of approximately € 146 million has been booked.

In January 2018, Roularta made an offer for the Belgian titles of Sanoma, with the exception of the home magazines. The package includes the titles Libelle/Femmes d'Aujourd'hui and Flair (Dutch/French), Feeling/Gaël and La Maison Victor, Communiekrant, Loving You and She Deals. The total 2017 revenue of these brands amounts to approximately € 78 million euros for an acquisition price (including pension and subscription obligations) of € 33.7 million.

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

NOTE 37 - FEES TO THE AUDITOR AND TO PERSONS RELATED TO THE AUDITOR

The audit fees amount to € 184K. The fees of the auditor related to special services amount to € 334K.

NOTE 38 - RELATED PARTY TRANSACTIONS

2017 in thousands of euros	Associated companies and joint ventures	Other related parties	Total
I. Assets with related parties	**3,268**	**312**	**3,580**
Available-for-sale investments, loans and guarantees	**477**	**0**	**477**
Loans	477		477
Current receivables	**2,791**	**312**	**3,103**
Trade receivables	2,912	312	3,224
Other receivables	-121		-121
II. Liabilities with related parties	**9,314**	**338**	**9,652**
Financial liabilities	**0**	**0**	**0**
Other payables	0		0
Payables	**9,314**	**338**	**9,652**
Financial debts	610		610
Trade payables	2,304	338	2,642
Other payables	6,400		6,400
III. Transactions with related parties			**978**
Rendering of services	9,140	241	9,381
Receiving of services (-)	-6,045	-2,362	-8,407
Transfers under finance arrangements	4		4
IV. Key management personnel remunerations (including directors)			**3,272**
- of which short-term employee benefits			2,932
- of which post-employment benefits			287
- of which share-based payment expenses			53
V. Remuneration board members for the execution of their mandate			**425**

2016 in thousands of euros	Associated companies and joint ventures	Other related parties	Total
I. Assets with related parties	**3,226**	**19**	**3,245**
Available-for-sale investments, loans and guarantees	**583**	**0**	**583**
Loans	583		583
Current receivables	**2,643**	**19**	**2,662**
Trade receivables	2,222	19	2,241
Other receivables	421		421
II. Liabilities with related parties	**13,645**	**186**	**13,831**
Financial liabilities	**37**	**0**	**37**
Other payables	37		37
Payables	**13,608**	**186**	**13,794**
Financial debts	583		583
Trade payables	2,089	186	2,275
Other payables	10,936		10,936
III. Transactions with related parties			**1,181**
Rendering of services	9,570	660	10,230
Receiving of services (-)	-6,734	-2,324	-9,058
Transfers under finance arrangements	9		9
IV. Key management personnel remunerations (including directors)			**3,369**
- of which short-term employee benefits			3,076
- of which post-employment benefits			228
- of which share-based payment expenses			65
V. Remuneration board members for the execution of their mandate			**415**

The Group has no assets, liabilities nor transactions with its shareholders Comm. VA Koinon, SA West Investment Holding and SA Bestinver Gestión S.G.I.I.C.
Assets, liabilities and transactions with subsidiaries are fully eliminated in consolidation.
Assets, liabilities and transactions with associates and joint ventures are not eliminated in consolidation and are consequently fully included in this heading.

The list with all subsidiaries, joint ventures and associates can be found in Note 39.
All other related parties are entities which are controlled by the key management of the Group or members of their close family, or entities in which these persons have a significant influence. Key management personnel remunerations were separately mentioned.
There are no guarantees related to the assets or liabilities towards the related parties. In 2017, nor in 2016 no write-downs are registered.

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

NOTE 39 - GROUP COMPANIES

In 2017, the following changes occurred in the consolidated group:

New participations

- Bright Communications BVBA: was acquired for 100% in July 2017.
- Bright Communications Antwerpen BVBA: was acquired for 100% in July 2017.
- Mediabedrijf BV was founded in October 2017 and is home to the title *'Landleven'*.
- In August 2017, Medialaan and De Persgroep established the company 'Morfeus'.

Changed ownership without change in consolidation method

- Storesquare NV: 71.18% instead of 70.70% due to capital increase on 05/05/2017, 65% instead of 71.18% on 06/12/2017
- Studio Aperio Negotium NV: 75% in 2017 compared to 50% in 2016. In 2016, this participation was already fully consolidated, since there was also an indirect participation, resulting in a total participation of 56.25%.

Liquidations and mergers

- Febelma Regie CVBA
- Himalaya NV
- Media ID CVBA

Sold participations

- Twice Entertainment BVBA and Twice Technics BVBA: sold in June 2017
- Press Partners: sold in June 2017

The ultimate parent of the Group is Roularta Media Group NV, Roeselare, Belgium. As of 31 December 2017, 42 subsidiaries, joint ventures and associates are consolidated.

Name of the company	Location	Effective interest %	
1. Fully consolidated companies			
ROULARTA MEDIA GROUP NV	Roeselare, Belgium	100.00%	
ROULARTA HEALTHCARE NV	Roeselare, Belgium	100.00%	
BELGIAN BUSINESS TELEVISION NV	Brussels, Belgium	100.00%	
ROULARTA SERVICES FRANCE SARL	Lille, France	100.00%	
TER BEVORDERING VAN HET ONDERNEMERSCHAP IN BELGIË VZW	Roeselare, Belgium	100.00%	
HET MEDIABEDRIJF BV	Baarn, The Netherlands	100.00%	
BRIGHT COMMUNICATIONS BVBA	Hasselt, Belgium	100.00%	
BRIGHT COMMUNICATIONS ANTWERPEN BVBA	Hasselt, Belgium	100.00%	
TVOJ MAGAZIN D.O.O. - in liquidation	Zagreb, Croatia	100.00%	
JOURNÉE DÉCOUVERTE ENTREPRISES ASBL	Dison, Belgium	75.00%	
STUDIO APERI NEGOTIUM BVBA	Gent, Belgium	75.00%	
OPEN BEDRIJVEN VZW	Gentbrugge, Belgium	75.00%	
VOGUE TRADING VIDEO NV	Roeselare, Belgium	74.67%	
STORESQUARE NV	Roeselare, Belgium	65.00%	
ZEEUWS VLAAMS MEDIABEDRIJF BV	Terneuzen, The Netherlands	51.00%	
2. Consolidated using the equity method			
BAYARD MEDIA GMBH & CO KG	Augsburg, Germany	50.00%	joint venture
BAYARD MEDIA VERWALTUNGS GMBH	Augsburg, Germany	50.00%	joint venture
BELGOMEDIA SA	Verviers, Belgium	50.00%	joint venture
BITES SA	Vilvoorde, Belgium	50.00%	joint venture
CTR MEDIA SA	Brussels, Belgium	50.00%	joint venture
DE WOONKIJKER NV	Roeselare, Belgium	50.00%	joint venture
J.M. SAILER GESCHÄFTSFÜHRUNGS GMBH	Nürnberg, Germany	50.00%	joint venture
J.M. SAILER VERLAG GMBH	Nürnberg, Germany	50.00%	joint venture
JOEfm NV	Vilvoorde, Belgium	50.00%	joint venture
MEDIALAAN NV	Vilvoorde, Belgium	50.00%	joint venture
REGIONALE MEDIA MAATSCHAPPIJ NV	Roeselare, Belgium	50.00%	joint venture
REGIONALE TV MEDIA NV	Zellik, Belgium	50.00%	joint venture
SENIOR PUBLICATIONS DEUTSCHLAND GMBH & CO KG	Cologne, Germany	50.00%	joint venture
SENIOR PUBLICATIONS NEDERLAND BV	Baarn, The Netherlands	50.00%	joint venture
SENIOR PUBLICATIONS SA	Brussels, Belgium	50.00%	joint venture
SENIOR PUBLICATIONS VERWALTUNGS GMBH	Cologne, Germany	50.00%	joint venture
STIEVIE NV	Vilvoorde, Belgium	50.00%	joint venture
TVBASTARDS NV	Boortmeerbeek, Belgium	50.00%	joint venture
UNLEASHED NV	Hasselt, Belgium	50.00%	joint venture
VERLAG DEUTSCHER TIERSCHUTZ-DIENST GMBH	Nürnberg, Germany	50.00%	joint venture
PROXISTORE NV	Mont-Saint-Guibert, Belgium	46.12%	associate
CLICK YOUR CAR NV	Le Roeulx, Belgium	35.74%	associate
YELLOWBRICK NV	Schaarbeek, Belgium	35.00%	associate
REPROPRESS CVBA	Brussels, Belgium	29.93%	associate
50+ BEURS & FESTIVAL BV	Arnhem, The Netherlands	25.00%	joint venture
LIVING & MORE VERLAG GMBH - in liquidation	Augsburg, Germany	25.00%	joint venture
4 ALL SOLUTIONS BVBA	Oostrozebeke, Belgium	15.00%	associate
MEDIAPLUS BV	Bussum, The Netherlands	12.50%	associate
3. Companies of minor importance not included in the consolidated financial statements			

There are no companies of minor importance not included in the consolidated financial statements.

Statutory auditor's report

Statutory auditor's report to the shareholders' meeting of Roularta Media Group NV on the consolidated financial statements for the year ended 31 December 2017
The original text of this report is in Dutch.

In the context of the statutory audit of the consolidated financial statements of Roularta Media Group NV ('the company') and its subsidiaries (jointly 'the Group'), we hereby submit our statutory audit report to you. This report includes our report on the consolidated financial statements together with our report on other legal, regulatory and professional requirements. These reports are one and indivisible.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 19 May 2015, in accordance with the proposal of the board of directors issued upon recommendation of the audit committee and presentation of the works council. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2017. Due to a lack of online archives dating back prior to 1997, we have not been able to determine exactly the first year of our appointment. We have performed the statutory audit of the consolidated financial statements of Roularta Media Group NV for at least 20 consecutive periods.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have audited the consolidated financial statements of the Group, which comprise the consolidated balance sheet as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended , as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 417,108 (000) EUR and the consolidated income statement shows a consolidated net loss for the year then ended of 12,818 (000) EUR.

In our opinion, the consolidated financial statements of Roularta Media Group NV give a true and fair view of the Group's net equity and financial position as of 31 December 2017 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the 'Responsibilities of the statutory auditor for the audit of the consolidated financial statements' section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Intangible assets with indefinite lives	
Intangible assets with indefinite lives amount to 70 MEUR and represent 17% of the consolidated balance sheet total at 31 December 2017. The company's value of those assets is allocated to the cash-generating units ('CGU') News Belgium, Business Belgium, Free Press Belgium and Free Press Other Countries. The annual impairment test is significant to our audit because the assessment process is judgmental and is based on assumptions that are affected by expected future market or economic conditions. The key assumptions to the impairment test and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 15 to the consolidated financial statements.	Our audit procedures included amongst others a review of the company's policies and procedures for evaluating the presence of impairment, challenging main cash flow assumptions and robustness of forecasts. We assessed and challenged the business plans, the assumptions, the discount rates and methodologies used by the company, for example by assessing the historical accuracy of management's estimates, challenging the revenue forecasts used with comparison to recent performance and by challenging sensitivities in the company's valuation model. We included valuation specialists in our team to assist us in these audit activities. We applied professional skepticism related to the sensitivity in the available headroom in the CGU Business Belgium and focused on whether a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. We have evaluated whether appropriate disclosure of impairments are made in accordance with IAS 36 *Impairment of Assets*.
Acquisition and disposal of joint ventures	
Roularta owns 50% of the shares in the Medialaan NV and several other smaller joint ventures. Roularta Media Group NV announced in 2017 the disposal of the joint venture Medialaan NV, which was completed subsequent to year-end. At 31 December 2017, the net book value of the discontinued operations amounts to 129 MEUR and represents 31% of the consolidated balance sheet total. In addition, the net result of discontinued operations amounts to 19 MEUR compared to the net result of continued operations of -31 MEUR per 31 December 2017. Moreover, Roularta Media Group NV announced the acquisition of 50% of the shares in Mediafin NV prior to year-end. The accounting for acquisitions and disposals of joint ventures in the consolidated financial statements of Roularta Media Group NV is significant to our audit due to the share in net result and in the book value of the investments accounted for using the equity method. In addition, these transactions are of importance due to the accounting treatment of joint ventures in view of the recognition and derecognition criteria and the importance of disclosure requirements in compliance with IFRS. The acquisition and the disposal of joint ventures are disclosed in Notes 5 and 36 to the consolidated financial statements.	Our audit procedures included, among others, the review and evaluation of the signed agreements of the acquisition and the disposal, to validate proper accounting treatment. In order to validate the completeness of the transactions, we have reviewed the minutes of the board of directors and performed procedures to identify and assess the events after balance sheet date. We included specialists in our team to assist us in these audit activities. Further, we assessed the adequacy of the company's disclosure in Notes 5 and 36 of the consolidated financial statements. In relation to the disposal of the joint venture Medialaan NV, we have additionally validated that the discontinued criteria of IFRS 5 were met before the end of the reporting period and that the joint control ceased after year-end. In addition, we assessed whether the assets that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. We also validated the completeness of the result from discontinued operations. In relation to the acquisition, we have validated as well that no joint control was obtained before the end of the reporting period.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition	
The Group earns revenue from a variety of sources among the different business areas, including annual subscriptions and publicity. We recognise that revenue is a key metric upon which the Group is judged, since revenue is the major driver for profit generation. Given that the Group has a cost structure in which fixed costs are more significant compared to the variable costs, we note a considerable impact of revenue on the margins and net profit realised, primarily as concerns the subscriptions and publicity revenue streams. We have identified following critical areas in relation to revenue recognition set out below. These are significant either because of manual adjustments for open-end contracts at balance sheet date or earnings management in the respective revenue streams: • recognise revenue in the incorrect period; • inappropriate manual adjustments. The accounting policies for revenue recognition are set out in Note 1 to the consolidated financial statements and the different revenue streams for the Group have been disclosed in Note 3 to the consolidated financial statements.	At each component with significant revenue streams, following procedures were performed to address the described risk, including: • Reviewing the design and implementation of company's internal controls related to the timing of revenue recognition. • Reviewing the cut-off procedures related to revenue recognition and ensured that these were properly applied at year-end. • Reviewing the completeness of the sales rebates relating to revenue recorded at year-end or during the preparation of the financial statements. • Comparing the detailed sales evolutions per revenue stream to last year in order to identify anomalies, indicating possible cut-off errors. • Performing a detailed review of a sample of the entity's year-end adjusting entries and investigating any that appear unusual as to nature or amount. • Performing manual journal entry testing in order to test for suspicious manual entries that could indicate misstatements of revenue.

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

In preparing the consolidated financial statements the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes any public disclosure about the matter.

REPORT ON OTHER LEGAL, REGULATORY AND PROFESSIONAL REQUIREMENTS

Responsibilities of the board of directors
The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report.

Responsibilities of the statutory auditor
As part of our mandate and in accordance with the Belgian standard complementary (Revised in 2018) to the International Standards on Auditing (ISA), our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other matters disclosed in this report
In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for the period ended 31 December 2017 and it has been established in accordance with the requirements of article 119 of the Companies Code.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the directors' report on the consolidated financial statements, i.e. page 11 till 24 (included), is free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement. We do not express any kind of assurance on the annual report.

The non-financial information as required by article 119, § 2 of the Companies Code, has been disclosed in a separate report on page 11 till page 24 (included) of the annual report. This statement on non-financial information includes all the information required by article 119, § 2 of the Companies Code and is in accordance with the consolidated financial statements for the financial year then ended. The non-financial information has been established by the company in accordance with the GRI standards. We do however not express any opinion on the question whether this non-financial information has been established, in all material respects, in accordance with these GRI standards. Furthermore, we do not express any form of assurance conclusion on individual elements that have been disclosed in this non-financial information.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the consolidated financial statements, as defined in article 134 of the Companies Code, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Gent, 12 April 2018
The statutory auditor
DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by
Mario Dekeyser

Statutory annual accounts

CONDENSED STATUTORY ANNUAL ACCOUNTS

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

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

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

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

EXTRACT FROM THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

The annual accounts, which will be presented to the general meeting of shareholders of 15 May 2018, were approved by the board of directors of 9 April 2018.

Appropriation of the result

The loss for the financial year 2017 available for appropriation is -13,212,082.24 euros compared to a profit of 15,479,300.54 euros for the financial year 2016.

Taking into account the profit carried forward of 12,467,657.22 euros, the loss to be appropriated for the financial year 2017 amounts to -744,425.02 euros.

Appropriation of profit

We propose to give the result the following appropriation:

A. Loss to be appropriated	-744,425.02
• loss of the year	-13,212,082.24
• retained profit of previous year	12,467,657.22
B. Withdrawals from capital and reserves	
• From reserves	778,724.19
C. Result to be carried forward	34,299.17

CONDENSED STATUTORY INCOME STATEMENT

Condensed statutory income statement	in thousands of euros	2017	2016
Operating income		260,493	282,581
Operating charges		-266,910	-273,421
Operating profit / loss		**-6,416**	**9,160**
Financial income		13,022	13,820
Financial charges		-19,714	-7,704
Profit (loss) for the period before taxes		**-13,108**	**15,276**
Transfer from deferred taxation			83
Income taxes		-104	-42
Profit (loss) for the period		**-13,212**	**15,317**
Transfer from untaxed reserves			162
Profit (loss) for the period available for appropriation		**-13,212**	**15,479**

Appropriation account	in thousands of euros	2017	2016
Profit (loss) to be appropriated		**-744**	**18,735**
Profit (loss) for the period available for appropriation		-13,212	15,479
Profit (loss) brought forward		12,468	3,256
Transfers from capital and reserves		**779**	**0**
From capital and from share premium account			
From reserves		779	
Transfers to capital and reserves		**0**	**0**
To legal reserve			
To other reserves			
Result to be carried forward		**-34**	**-12,469**
Profit (loss) to be carried forward		34	12,469
Distribution of profit		**0**	**-6,266**
Dividends			6,266

CONDENSED STATUTORY BALANCE SHEET AFTER APPROPRIATION

ASSETS	in thousands of euros	2017	2016
Fixed assets		**167,171**	**174,511**
Formation expenses			0
Intangible assets		29,894	35,164
Tangible assets		33,221	32,295
Financial assets		104,056	107,052
Current assets		**134,860**	**162,181**
Amounts receivable after more than one year		800	15,634
Stocks and contracts in progress		5,523	6,228
Amounts receivable within one year		74,129	73,795
Investments		16,142	16,966
Cash at bank and in hand		35,233	44,938
Deferred charges and accrued income		3,033	4,620
Total assets		**302,031**	**336,692**

LIABILITIES	in thousands of euros	2017	2016
Capital and reserves		**100,973**	**114,186**
Capital		80,000	80,000
Share premium account		304	304
Legal reserve		8,000	8,000
Reserves not available for distribution		11,142	11,920
Untaxed reserves		1,207	1,207
Reserves available for distribution		286	286
Profit (loss) carried forward		34	12,469
Investment grants			0
Provisions and deferred taxation		**6,433**	**7,426**
Creditors		**194,625**	**215,080**
Amounts payable after more than one year		4,322	105,828
Amounts payable within one year		182,922	101,691
Accrued charges and deferred income		7,381	7,561
Total liabilities		**302,031**	**336,692**

Readers, distribution, visitors

LOCAL NEWSPAPER

Krant van West-Vlaanderen(*):
313,770 CIM readers,
distribution 62,731 copies

NEWS MAGAZINES

Knack(*):
417,502 CIM readers,
distribution 97,130 copies
Le Vif/L'Express(*):
329,881 CIM readers,
distribution 57,694 copies
Knack Weekend:
329,972 CIM readers,
distribution 95,548 copies
Le Vif Weekend:
173,798 CIM readers,
distribution 56,776 copies
Knack Focus:
260,860 CIM readers,
distribution 95,548 copies
Focus Vif:
124,599 CIM readers,
distribution 56,776 copies

BUSINESS NEWS MAGAZINE

Trends(*):
230,084 CIM readers,
distribution 52,243 copies

SPORTS NEWS MAGAZINE

Sport/Voetbalmagazine(*):
441,972 CIM readers,
distribution 43,133 copies

SENIOR MAGAZINES

Plus Belgium:
337,229 CIM readers,
distribution 111,076 copies
Plus The Netherlands(**):
897,000 readers,
distribution 239,692 copies
Landleven(**):
670,000 readers,
distribution 108,097 copies
Plus Germany:
1,000,000 readers,
distribution 150,000 copies

PEOPLE MAGAZINE

Télépro:
382,586 CIM readers,
distribution 114,126 copies

LIFESTYLE MAGAZINES

Nest:
457,065 CIM readers,
distribution 75,256 copies
Ik ga Bouwen & Renoveren:
190,299 CIM readers,
distribution 22,438 copies
Bodytalk:
243,079 CIM readers,
distribution 158,055 copies
Libelle:
728,209 CIM readers,
distribution 164,983 copies
Libelle Lekker:
483,479 CIM readers,
distribution 22,247 copies
Femmes d'Aujourd'hui:
372,673 CIM readers,
distribution 66,670 copies
Flair D:
411,480 CIM readers,
distribution 42,966 copies
Flair F:
267,196 CIM readers,
distribution 22,915 copies
Feeling:
241,878 CIM readers,
distribution 40,660 copies
GAEL:
153,996 CIM readers,
distribution 23,721 copies
La Maison Victor D+F:
96,194 CIM readers,
distribution 15,294 copies
Loving You(***):
distribution 60,000 copies
Communiekrant(***):
distribution 130,000 copies

ROULARTA B2B

Artsenkrant/Le journal du Médecin:
distribution 26,750 copies
Data News:
70,153 CIM readers,
distribution 26,724 copies
Grafisch Nieuws(***):
distribution 5,200 copies

LOCAL INFORMATION MEDIA

Deze Week:
2,048,476 CIM readers,
distribution 2,151,289 copies
De Zondag:
1,533,004 CIM readers,
distribution 511,875 copies

CITY MAGAZINE

Steps:
393,773 CIM readers,
distribution 352,098 copies

WEBSITES

Knack.be/LeVif.be websites:
942,733 real users,
4,502,126 unique visitors per month (21,438,126 page views)
Knack.be/LeVif.be News:
942,733 real users,
2,161,249 unique visitors per month (8,708,381 page views)
Trends.be:
816,088 real users,
1,329,505 unique visitors per month (6,389,353 page views)
Weekend.be:
410,299 real users,
676,150 unique visitors per month (2,463,290 page views)
Datanews.be:
133,247 real users,
208,352 unique visitors per month (614,941 page views)
Plusmagazine.be:
152,698 real users,
209,141 unique visitors per month (486,922 page views)
Flair:
728,624 real users,
4,231,355 unique visitors per month (6,683,268 page views)
Libelle/Femmes d'Aujourd'hui:
584,619 real users,
1,646,519 unique visitors per month (3,438,219 page views)
Feeling/GAEL:
273,622 real users,
798,395 unique visitors per month (1,393,842 page views)
Libelle Lekker:
650,039 real users,
2,070,057 unique visitors per month (4,755,351 page views)
Libelle Mama/Femmes d'Aujourd'hui Maman:
228,872 real users,
495,224 unique visitors per month (714,952 page views)

KW.be:
313,774 real users,
539,378 unique visitors per month (2,153,754 page views)
Immovlan.be:
730,042 real users,
1,670,572 unique visitors per month (13,517,961 page views)
Gocar.be:
491,000 real users,
1,023,996 unique visitors per month (7,585,460 page views)

(*) Print + Digital
(**) NOM Media 2016/Q4 up to 2017/Q3 (distribution) - NPM 2017-IV (readers)
(***) Publisher info
New titles and websites Sanoma under suspensive condition approval Belgian Competition Authority

Source Distribution: CIM Declaration of honour 2017 - Source Readers: CIM 2016-2017 - Source: CIM Internet study 2017

REAL USERS

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

FINANCIAL CALENDAR

General Meeting 2017	**15 May 2018**
Half year 2018 results	17 August 2018
Full year 2018 results	15 March 2019
General Meeting 2018	**21 May 2019**

INVESTOR RELATIONS

	Rik De Nolf
Phone	+32 51 26 63 23
Fax	+32 51 26 65 93
Email	rik.de.nolf@roularta.be
Website	www.roularta.be

NV Roularta Media Group, Meiboomlaan 33, 8800 Roeselare, VAT BE 0434.278.896, RPR Ghent, department Kortrijk
Responsible publisher: Rik De Nolf, Meiboomlaan 33, 8800 Roeselare