Annual report 2018

Roularta Media Group

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Contents

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

A 'New Deal'

In the early 1970s, Roularta launched the Belgian news magazines *Knack*, *Trends*, *Sport/Voetbalmagazine* and their French-language counterparts *Le Vif/L'Express*, *Trends-Tendances* and *Sport/Foot Magazine*. The intention was to fill a large gap because in Belgium we had no Newsweek, no Business Week, no Sports Illustrated, which then were the largest media brands in the US and the world.

The editors of these six Belgian news magazines work together in a large editorial office, the Brussels Media Centre (BMC), on Raketstraat in Brussels (Haren), next to the NATO headquarters.

It also houses the editors of the best known Belgian lifestyle magazines *Libelle/Femmes d'Aujourd'hui*, *Flair* (Dutch/French), *Feeling/GAEL*, *Libelle-Nest* (Dutch/French), *Libelle Lekker/Délices*, *Plus Magazine* (Dutch/French) and so on. Their arrival and integration in the Roularta group went well and the BMC is by far the largest editorial team – with the largest news editorial team and the largest lifestyle editorial team – in the country.

The editors of the six news magazines together operate a global news site that provides relevant background information 24 hours a day, seven days a week. Part of this information is accessible for free, but the +articles are reserved for subscribers, as are the electronic archives where you can access information up to twenty years old. Each week these editors create the news magazines that can be bought in the store or sent by mail, or that can be read digitally throughout the world on a smartphone, tablet or PC.

ROULARTA NOW ABLE TO LAUNCH A 'NEW DEAL' THANKS TO DIGITISATION

Subscribers to one or more of the titles *Knack*, *Le Vif/L'Express* or *Trends* (Dutch or French) will now have digital access to all six Belgian news magazines. Knack subscribers receive their package with *Knack*,

RIK DE NOLF - EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS

Knack Weekend and *Knack Focus* by mail on Wednesday morning, but can also read *Le Vif/L'Express*, *Trends* (Dutch/French) and *Sport/Voetbalmagazine* (Dutch/French) on a smartphone, tablet or PC, and receive access to the entire website and the electronic archive of all six magazines.

Subscribers pay slightly more for their subscription but receive more than twenty times the digital equivalent in return: the full service of the largest editorial organisation in the country, specialised in relevant and quality content and investigative journalism. On every level: political, social, financial-economic, scientific, lifestyle, culture and sport. This allows Roularta to continue to grow with strong media brands.

The media world has changed dramatically due to digitisation. In many cases editors at home and abroad have been merged and reduced, and all information for various newspapers, radio and TV channels is produced centrally. Roularta is perhaps a big exception. The editing teams have been systematically strengthened. The magazines continue to grow thanks to the growth in subscription income, diversification, line extensions and events. The first experiences with the 'New Deal' formula show that renewal percentages are even higher than before.
It is of utmost importance that all readers discover how easy it is to enjoy digital access to all these magazines. Registering once with the subscriber number is all that is required. Roularta will regularly send out reminder e-mails, with a few clicks being sufficient to register. Years of investment in the subscription database are now bearing fruit. Combining print and digital is a challenge but certainly also an opportunity.

ROULARTA READY FOR A NEW GROWTH PHASE THANKS TO THE POTENTIAL OF THE WOMEN BRANDS

Roularta believes in the growth possibilities of the lifestyle magazines. They are strong brands that create relevant and useful content for an interesting community. This community can grow through subscription recruitment on top of the important sales in shops. Thanks to the high-performance websites, we now have a large extra inventory of page views with an interesting target group for digital advertising. The e-commerce platform *Shedeals*, *Libelle Lekker* etc. open up new avenues for diversification.

ROULARTA CONTINUES TO INNOVATE IN THE AREA OF LOCAL MARKETING

In terms of local media, we can offer a maximum circulation in the whole of Dutch-speaking Belgium, not only with the free magazines *Deze Week*, *De Zondag* and *Steps*, but also with new media via Roularta Digital: digital campaigns with geolocation on their own websites (news, lifestyle and classifieds) and in social media.

ROULARTA LOOKS TO THE FUTURE WITH CONFIDENCE

Roularta made a number of strategic choices in 2018. It said farewell to audiovisual media for the general public, and is focusing on strong media brands with interesting target groups and diversified new business.

Roularta Printing, the largest print shop – with the most modern infrastructure – in the country, is enjoying a new growth phase with newspapers, magazines and catalogues for Belgium and abroad (50%).

Roularta continues to focus on relevant content and full service, and is evolving rapidly with the digital world through new initiatives, start-ups and innovation in every area: a sustainable future project.

The most important events of 2018

In recent years, the media sector – and therefore also Roularta Media Group (RMG) – has undergone major changes and evolutions. This will be no different in the coming years. These major evolutions are primarily the result of three important phenomena: consolidation, digitisation and diversification.

CONSOLIDATION

Much has happened at RMG in the last four years with respect to consolidation: the sale of the French activities (Groupe Express Roularta) to Altice in 2015; the takeover of network event organiser *STERCK.*, and the Dutch magazine *Landleven*; the sale of 50% of Medialaan to De Persgroep; the acquisition of 50% of Mediafin (publisher of *De Tijd*, *L'Echo*, *Sabato*,...); and finally the acquisition of the Women Brands (*Libelle*, *Femmes d'Aujourd'hui*, *Flair*, *Feeling/GAEL*,...).

We can look back on all these transactions with satisfaction. All acquired activities performed very well in 2018. *STERCK.* and *Landleven* enjoyed an EBITDA margin of 28% and 20% respectively. Mediafin had a record year with a revenue increase of 10% and EBITDA growth of 17% (to € 14 million). In addition, Mediafin has a digital readership of more than 50%. The hybrid formula (digital in the week, on paper during the weekend) has been particularly successful.

The relocation of 250 new colleagues to our offices in Brussels in July 2018 was an important moment for the Women Brands. This change went very well. The migration to RMG's IT platforms was completed in less than six months thanks to the dynamic commitment of many colleagues. *Flair* and *Libelle* have been printed in Roeselare since 1 January 2019.

During the course of the year, our Roularta Printing print shop will be printing all women's magazines. In addition, we now are also printing a number of Dutch magazines for Sanoma, namely *Margriet* and *Totaal TV*.

XAVIER BOUCKAERT - CEO

This is of course reflected in our 2018 results. The expected synergies with regard to Women Brands have proven correct. They are having a significant positive impact on our results.

We will remain vigilant in the coming years with regard to new consolidation opportunities.

DIGITISATION

With regard to digitisation, 2018 was a dynamic year for RMG. Starting with the establishment of Roularta Digital Hub. We grouped together some 40 employees with digital expertise into a single hub. The Roularta Digital Hub will accelerate digitisation at RMG by working closely with the various business units.

We list below a number of important digital projects that we will continue to roll out in 2019:

- The 'own sites first' project. The Roularta Local Media teams (*Deze Week*, *De Zondag*, *Steps*) will mainly sell digital advertisements from local advertisers on our own websites in 2019 (Immovlan.be, Gocar.be, Knack.be, Weekend.be, Flair.be, Libelle.be,...) and therefore less on third-party platforms (Google, Facebook, etc.).
- The hyper-local neighbourhood platform Postbuzz and the Facebook platform Mijn Stad, which were acquired in November, will be substantially expanded in 2019. Roularta Local Media will then sell online advertisements in a package with print advertisements in *Deze Week*, *De Zondag* and *Steps*.
- The intensive sale of online advertisements via 'programmatic platforms'. These platforms make possible the automatic sales of advertisements between advertiser and publisher, without human intervention. This will be a priority in 2019.
- New e-commerce platforms are being developed thanks to RMG's know-how gained with the Storesquare e-commerce platform: Libellelekker.be, Lamaisonvictor.be,...

RMG's digital strategy will focus on paid content in 2019. We will therefore be concentrating on the readership market: improving the user experience on our websites (for example through personalisation), increasing the brand experience on all our platforms, greater capture and segmentation of data. This digital strategy will allow us to acquire more subscriptions. An important initiative in 2019 will be the bundling of print and online subscriptions: for an additional charge of 1 euro per week, a Knack subscriber will now also have access to the digital version and +zone of *Trends* (Dutch/French), *Sportmagazine* (Dutch/French) and *Le Vif/L'Express*. The same principle applies to *Le Vif/L'Express* and *Trends* (Dutch/French) subscribers.

In addition, Roularta Brand Studio was established in 2018. Digitisation has made it possible to devise unique, multimedia and creative campaigns for our advertisers. This is the calling and mission of Roularta Brand Studio.

The Innovation Lab was set up in 2018 with the aim of detecting and testing new technologies at an early stage. The Innovation Lab also works closely with universities. For example, RMG recently sponsored a chair at VUB on innovation in the media sector.

DIVERSIFICATION

At RMG our aim is not so much to diversify into other sectors, but rather to further develop our strong brands with new activities such as events, trade fairs and trips. Over the years we organised many events with among others *Trends*, *Data News* and *Libelle*. The Knack cruises have also become a household name. In 2019, the intent is to realise new ideas in this direction.

CONCLUSION

2018 can be summarised in one sentence: Roularta Media Group is back, stronger than ever.
All bank debts were repaid in 2018. In other words, RMG is completely debt-free. This gives us enormous freedom to realise long-term projects. For this we can count on all our enthusiastic RMG employees.

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.

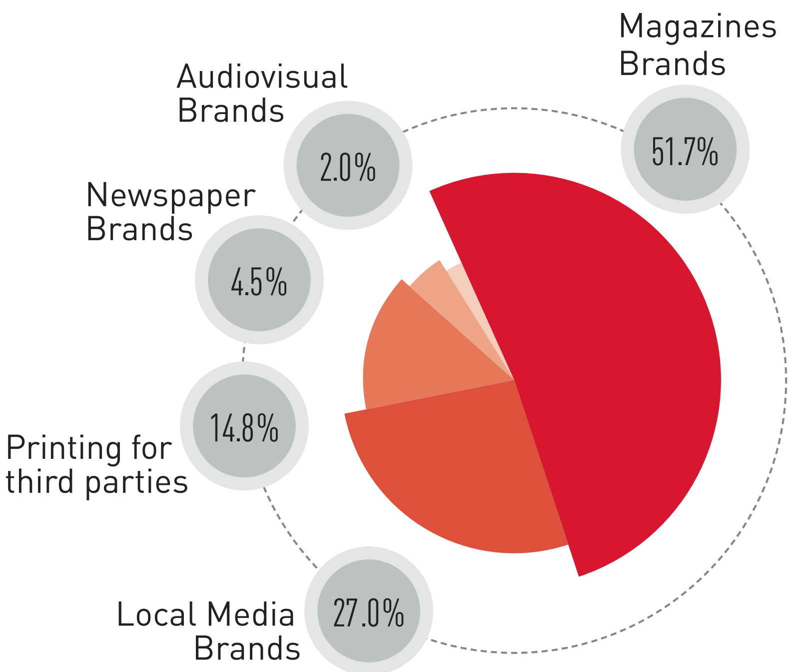
Good communication about the efforts and achievements of our company in the area of sustainable and socially responsible entrepreneurship is a must in a competitive market.

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

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

277 million euros turnover (*)



(*) Consolidated turnover

Brands

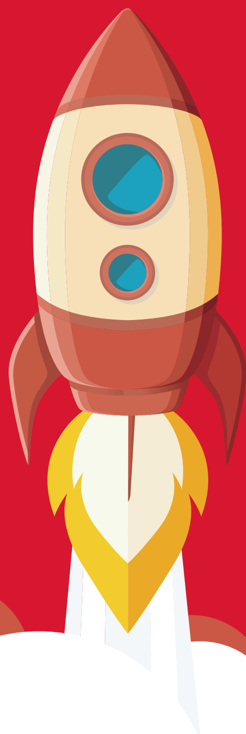
Roularta Media Group is a Belgian multimedia company with 1,287 employees and a consolidated turnover of 277 million euros. Roularta is active in Belgium, the Netherlands and Germany. It is a diversified company with unique news, business, sports, lifestyle and special interest magazines, newspapers, free magazines, newsletters, websites, television, events and e-commerce platforms. Roularta strives for complementarity and balance between free magazines and magazines, between traditional and new media, between print media and audiovisual media.

Mission, vision and values

"One Team, One Family."

✓ "Passion for the media consumer, and the rest will follow."

✓ "Strive for value, innovation and growth."



✓ "Go for brand and quality."

✓ "Consider each challenge as an opportunity."

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."

How Roularta Media Group *creates* value

INPUT

Financial capital

- 80 million EUR registered capital
- 13,141,123 shares, listed on Euronext Brussels
- 223 million EUR equity
- 95 million EUR net cash position
- 65.1 million EUR invested in e.g. IT and digital infrastructure

Manufactured capital

- Offices in Belgium: Brussels, Zellik, Roeselare (head office), Antwerp, Ghent, Bruges, Hasselt
- Office in The Netherlands: Baren
- Offices in Germany: Augsburg, Münich, Nürenberg
- 6 advanced full-colour offset printing presses
- 650 data servers
- 1 petabyte storage capacity
- 2,000 computers

Social capital

- Different memberships e.g. Council for Journalism, Febelgra
- Chairmanship of WE MEDIA (Belgian magazine association) and EMMA (European magazine association)
- Relationship with suppliers and professional organisations
- 19,000 advertisers
- 801,741 subscribers

Intellectual capital

- Innovation Lab and Roularta Digital Hub
- Strong media brands

Human capital

- 1,332 permanent employees
- 725 men, 607 women
- 151 recognised professional journalists
- Network in excess of 1,300 freelancers

Natural capital

- An average of 70,000 tonnes of 100% TCF paper
- 1,381 tonnes of ink
- 21,361 m³ water
- 190,000 m² aluminium plates
- 45,000 litres of cleaning agents
- 155,000 litres of dampening additives
- 34,269 MWh energy
- 66,000 m² area of greenery beside the company plant

OUTPUT

Financial capital

- 277 million EUR turnover
- 94 million EUR personnel
- 8.6 % growth in turnover
- 99 million EUR added value

Manufactured capital

- 545,713,841 rotations rotary presses
- More than 100 events (Trends Manager of the Year, Trends Summer University, She goes ICT, ...)
- Printed copies: 304,299,268 magazines and 208,857,801 newspapers

Spreading quality, relevant, and independent content for our readers and advertisers

Intellectual capital

- 33 innovative projects tested by the Innovation Lab
- 70 magazine titles
- 5 newspaper titles

Human capital

- 19,000 hours of training for personnel
- 117 new recruitments

Taking care of our people and community

Connecting people locally through providing free regional news, digital platforms and the organisation of events

Social capital

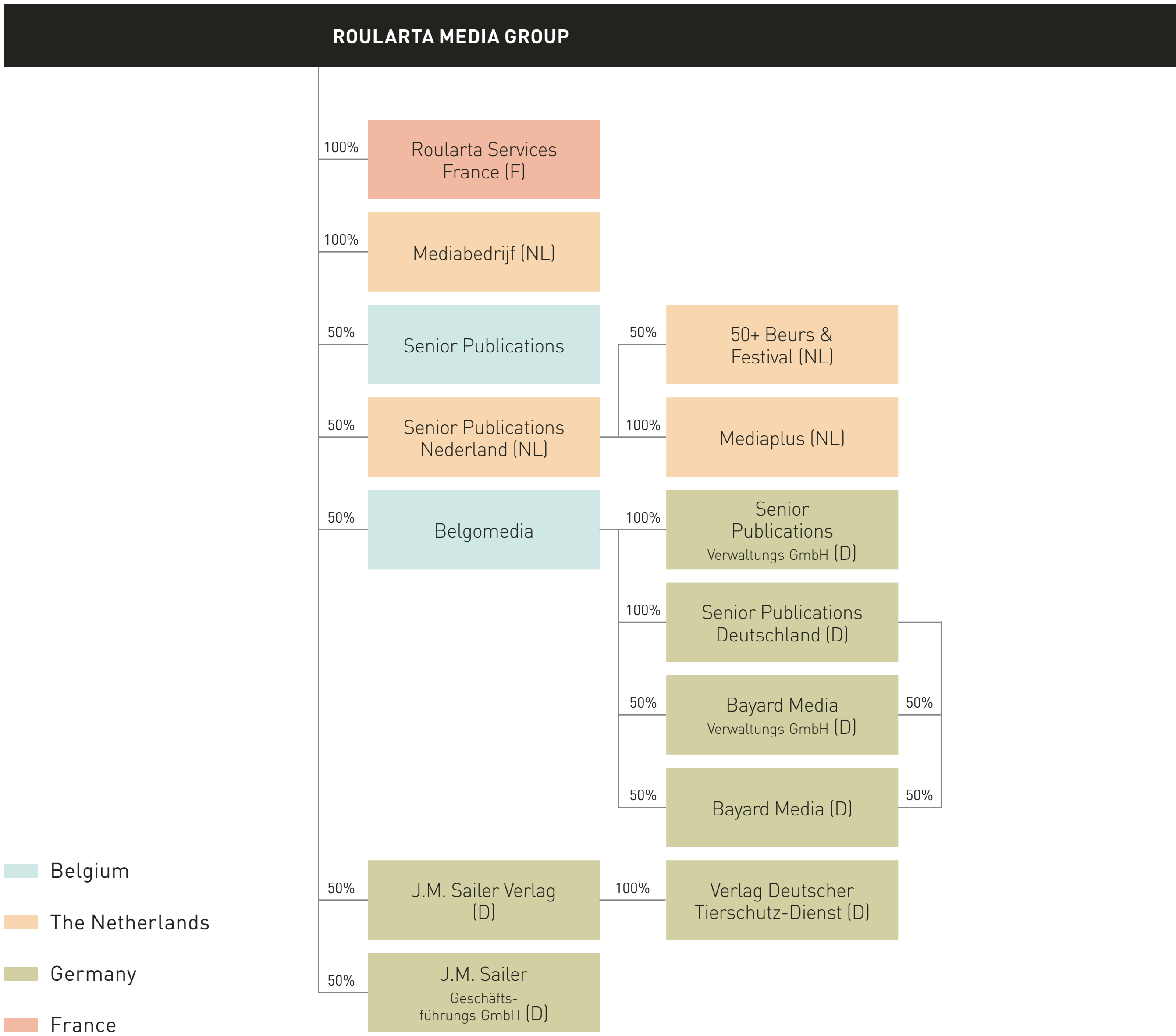
- Websites: more than 10 million unique visitors per month and more than 40 million page views per month
- 3,503,660 readers of local media
- 9,098,329 magazine readers (CIM) in Belgium, The Netherlands and Germany
- 98% reader client satisfaction rate
- Weekly 1,100,000 viewers for Kanaal Z / Canal Z
- Co-creator 'Een Hart voor West-Vlaanderen'

Lowering our footprint with high-tech printing facilities

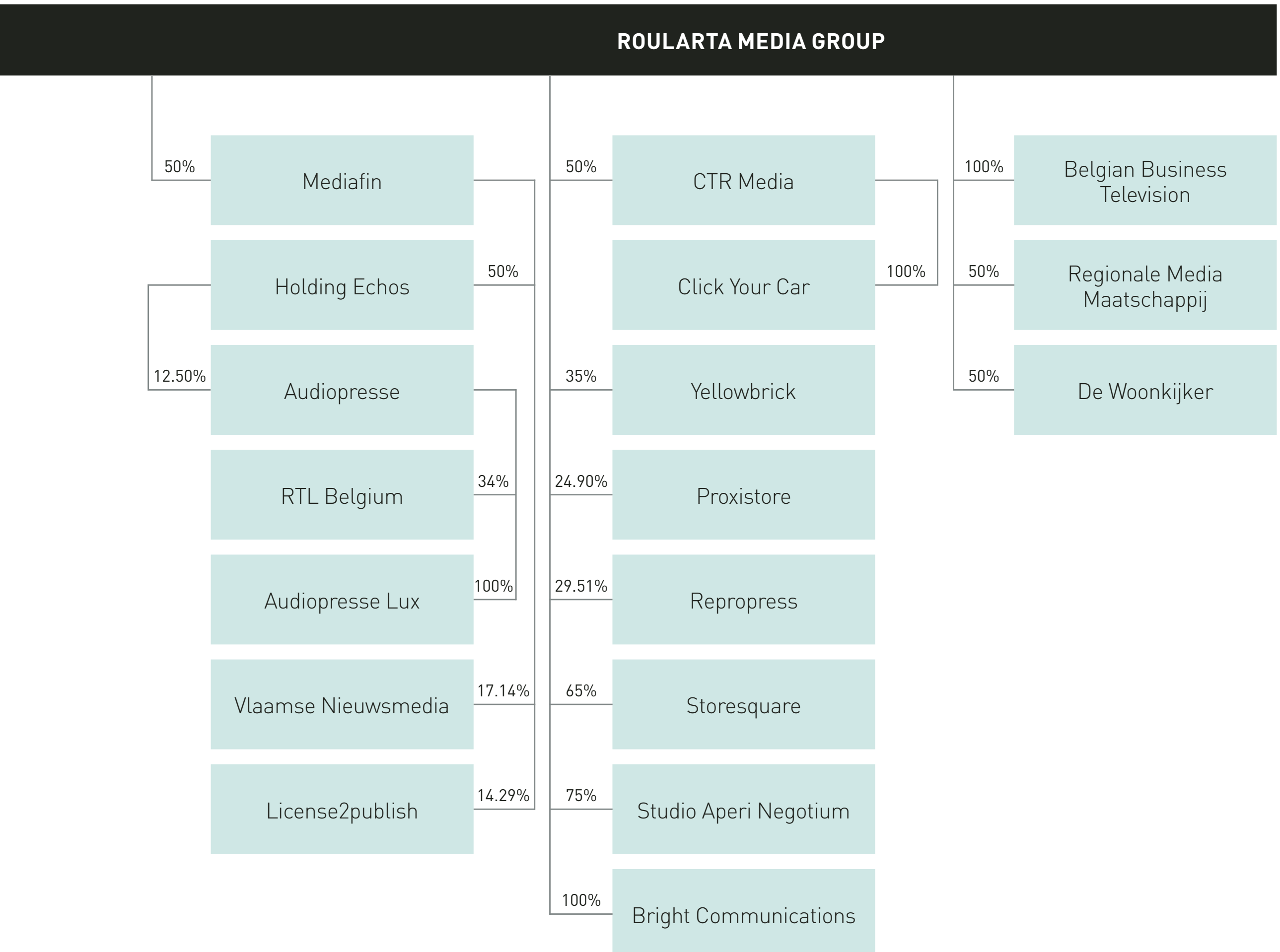
Natural capital

- 0.93% energy saving* on the site in Roeselare = 93.2 tonnes less CO_2 emission or an average yearly consumption of 21 families

(*) Compared to reference year 2016



Group structure


ROULARTA MEDIA GROUP
50%
Mediafin
50%
Holding Echos
12.50%
Audiopresse
34%
RTL Belgium
100%
Audiopresse Lux
17.14%
Vlaamse Nieuwsmedia
14.29%
License2publish
50%
CTR Media
100%
Click Your Car
35%
Yellowbrick
24.90%
Proxistore
29.51%
Repropress
65%
Storesquare
75%
Studio Aperi Negotium
100%
Bright Communications
100%
Belgian Business Television
50%
Regionale Media Maatschappij
50%
De Woonkijker

Offices

HEAD OFFICE ROULARTA MEDIA GROUP
Meiboomlaan 33, 8800 Roeselare

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

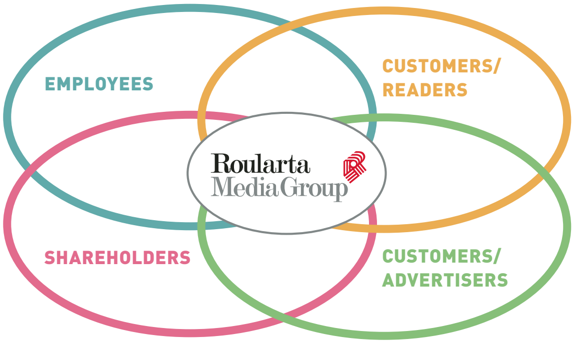
MEDIAFIN
Tour & Taxis, Havenlaan 86C box 309, 1000 Brussels

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'.

Roularta Media Group puts with its 'Customer Journey' project, which started in 2017, 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 the project 'Customer Journey' is in a first phase, the focus 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.

Advertisers more than ever are looking for creative ways to communicate credibly and reliably with their target groups about their brand, especially in times of fake news and fake advertising.

Therefore Roularta has bundled all of its expertise in native advertising, cross-media creativity and content marketing in one competence centre that can develop total solutions for the advertiser: the **Roularta Brand Studio**.

In close collaboration with Roularta Media Group's sales teams, Roularta Brand Studio offers creative cross-media total solutions for advertisers, tailor-made for the advertiser, and in line with the target groups and the DNA of the various media brands of Roularta Media Group.

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 the spring of 2019. 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:

- At the Brussels Media Centre site in Haren, work was done on the energy optimisation of the installations following the energy audit in 2017, and the decision was made to start a solar panel project on the roof.
- 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 2018, the sites in Zellik and Roeselare (including the production environment) switched completely to LED lighting.
- The heating system of the Roeselare site was upgraded, and the associated control of the heating zones in the office environment was optimised.

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 m^3 of water per year.

Paper

Paper is the basic raw material for printing newspapers and magazines. We purchase an average of 70,000 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.

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 1,400,000 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 155,000 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 of the printed matter.

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. Since 2018 Roularta Media Group included petrol-hybrid vehicles in the selection of company cars.

Sign for my Future

Roularta Media Group also signed up as ambassador for the citizens' initiative *Sign for my Future*, which aims to require our following governments to finally develop an ambitious climate policy and ensure a good future for children.

Companies and Biodiversity Green Deal

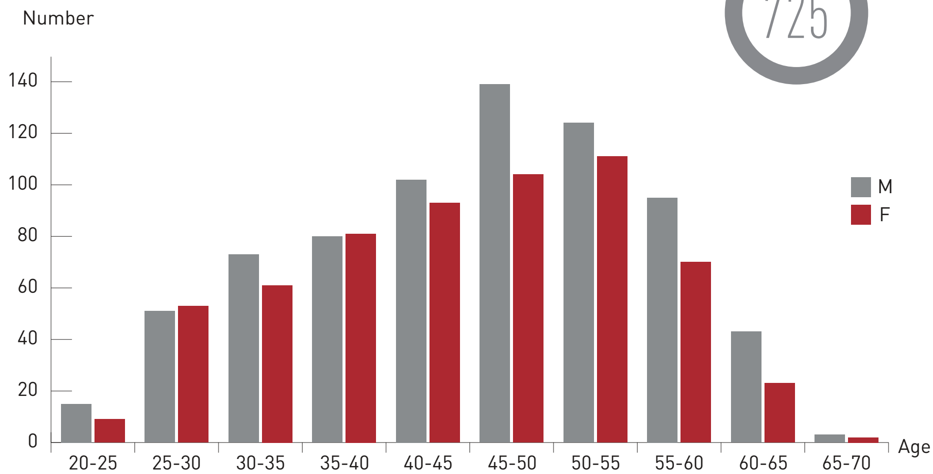
Roularta Media Group has subscribed to the Companies and Biodiversity Green Deal. This is an initiative of among others the Flemish Government (the Department of Environment, and the Nature and Forest Agency), Natuurpunt and Corridor. The Companies and Biodiversity Green Deal aims to increase biodiversity in business parks and strengthen support for this. Attention to biodiversity can bring many benefits to the company, employees, customers, stakeholders, etc. With the Green Deal, Roularta wants to further stimulate biodiversity at its sites by implementing a number of biodiversity projects over the coming years. These include the further planting of trees and berry-bearing shrubs, installing nesting boxes, beehives, insect hotels, etc.

Personnel

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

On 31/12/2018, Roularta Media Group (Roularta Media Group and its 100% subsidiaries) was home to 1,332 permanent employees – 725 men and 607 women – in diverse age categories.

In addition, Roularta Media Group relies on an extensive group of more than 1,300 freelance journalists, graphic artists and photographers to deliver high-quality content.



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.

Fun@Work

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, ...

Because the title Sports Committee no longer covers all the diverse activities it organises, a new name was sought. Since September 2018, all these activities have been offered to colleagues under the name Fun@work.

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.

RESPECT FOR HUMAN RIGHTS – FIGHT AGAINST CORRUPTION AND BRIBERY

Roularta ensures that its management, employees, freelancers and business partners respect human rights, including fundamental labor standards.

To prevent corruption and bribery, a code of ethics has been developed by Roularta Media Group, which is signed by all employees and freelancers.

Innovation

Roularta in the graphic and media sector
Roularta aims to play a pioneering role in the graphic and media sectors. We also defend the interests of the sector through various channels and through our membership in numerous associations (Council for Journalism, Conseil de déontologie journalistique, WE MEDIA, JEP, the Belgian federation for the graphic industry Febelgra, EMMA ...) and we strive for innovation.

Roularta Innovation Lab
In September 2018, the Innovation Lab (IL) was established within Roularta Media Group. The Innovation Lab is at the service of all business units of Roularta Media Group (RMG) and performs a radar function. It searches 'beyond the horizon' for the latest technologies and trends, and functions as a crossroads of digital and technological innovation. The IL investigates new technologies, tools and software, and evaluates their possible added value for Roularta Media Group.

The Innovation Lab scans the world of start-ups, develops a strong network within this environment and thus is the first point of contact for start-ups within the world of media tech.

In addition, the Innovation Lab enters into partnerships with technological suppliers and research groups from colleges and universities. With these partners Roularta Media Group forms a *triple helix* (collaboration between government or private fund organisations, business and education) with the aim of bringing to the market advanced technological solutions that users truly need.

An example of such collaboration is reflected in 'NewsTAPAS'. It aims to increase engagement with the Roularta news brands by offering (digital) readers a unique, personalised and individual reading experience. To this end, Roularta Media Group will be developing a content adaptation engine that can be integrated into the editorial systems. This technology will be able to automatically adapt the personalised news articles to a format (with respect to both form and content) based on the users' interests, needs and context (device, time, location, etc.).

In the context of NewsTapas, Roularta Media Group is collaborating with the Flemish public radio and television broadcaster VRT, ML2grow (AI service provider and spin-off of IDLab affiliated with Ghent University), imec SMIT-VUB (research group at Brussels University with a strong focus on user research) and UGent imec-IDLab (research group at Ghent University with strong expertise in machine learning and artificial intelligence).

The NewsTapas project was also selected by the Google Digital News Innovation Fund.

This fund was created by Google three years ago to stimulate innovation within the European news industry.

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 2018, the company did not purchase any own shares on the basis of the statutory authorisation of the board of directors.

The company has 596,935 of its own shares in portfolio, representing 4.542% of the registered capital.

Shareholding structure

The shareholding structure is as follows:

	Number of shares	%
Koinon Comm.VA [1]	8,989,665	68.409%
S.A. West Investment Holding [1]	522,136	3.973%
Bestinver Gestión S.G.I.I.C. S.A.	998,725	7.600%
Capfi Delen Asset Management NV	394,201	2.999%
Own shares [2]	596,935	4.542%
Individual and institutional investors	1,639,461	12.476%

(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.
(2) Situation on 31/03/2019.

9,407,428 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 30 August 2018 pursuant to Article 74 § 6 of the above-mentioned law.

STOCK MARKET TREND

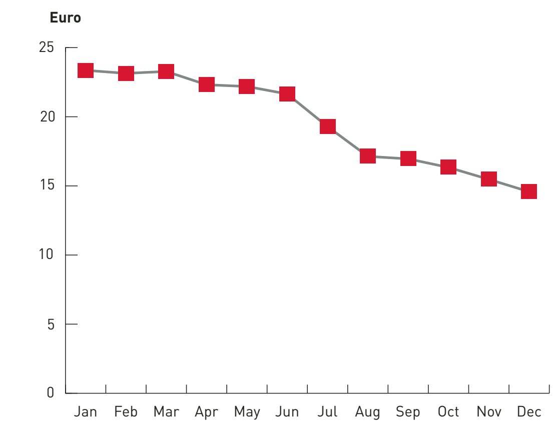
Roularta Media Group's shares are listed on Euronext Brussels under the section Media - Publishing, ISIN Code BE0003741551 and Mnemo ROU.

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

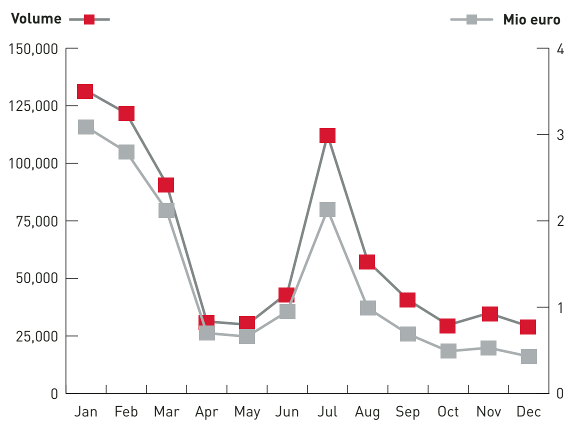
Volumes and closing prices in 2018

Month	Average closing price	Volumes	in EUR millions
Jan 18	23.359	131,583	3.09
Feb 18	23.140	121,705	2.80
Mar 18	23.276	91,013	2.12
Apr 18	22.315	31,300	0.70
May 18	22.191	29,930	0.66
Jun 18	21.648	43,592	0.95
Jul 18	19.289	112,304	2.13
Aug 18	17.133	57,427	0.99
Sep 18	16.955	40,676	0.69
Oct 18	16.335	29,763	0.49
Nov 18	15.473	34,908	0.53
Dec 18	14.579	29,204	0.43
		753,405	15.58

Average closing price - 2018



Volumes and figures in EUR millions - 2018



The highest price during 2018 was EUR 25.400 on 26 February. The lowest price during 2018 was EUR 14.050 on 24 December. The largest daily trading volume was 46,089 shares on 8 February 2018.

Liquidity of the share

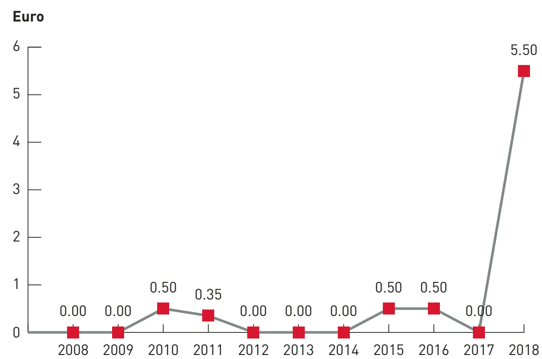
Roularta Media Group has a proactive investor relations policy, aimed at increasing the visibility of the share and in this way supporting its liquidity.

Dividend policy

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

The board of directors will propose to the general assembly of 21 May 2019 that a gross dividend of EUR 5.50 per share be paid out for the full year 2018. Taking into account the gross interim dividend of EUR 5.00 per share paid in July 2018, the gross final dividend amounts to EUR 0.50 per share.

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
- Kepler Cheuvreux:	Kris Kippers	kkippers@keplercheuvreux.com
- Merodis Equity Research:	Arnaud W. Goossens	ago@merodis.com

Consolidated key figures

Income statement	in thousands of euros	2014	2015	2016(*)	2017	2018	Trend
Sales		**299,569**	**290,226**	**276,464**	**256,768**	**277,008**	**+7.9%**
EBITDA [1]		**34,871**	**33,598**	**16,930**	**1,927**	**6,336**	**+228.8%**
	EBITDA - margin	*11.6%*	*11.6%*	*6.1%*	*0.8%*	*2.3%*	
EBIT [2]		**21,930**	**31,363**	**7,412**	**-12,035**	**-65,547**	**-444.6%**
	EBIT - margin	*7.3%*	*10,8%*	*2.7%*	*-4.7%*	*-23.7%*	
Net finance costs		-6,728	-5,441	-4,687	-4,858	-5,075	+4%
Operating result after net finance costs		**15,202**	**25,922**	**2,725**	**-16,893**	**-70,622**	
Income taxes		-2,492	46,089	72	-14,578	-1,539	
Net result from continuing operations		12,710	72,011	2,797	-31,471	-72,161	-129%
Result from discontinued operations		-155,237	-7,770	17,475	18,510	151,093	+716%
Net result		**-142,527**	**64,241**	**20,272**	**-12,961**	**78,932**	**+709%**
Attributable to minority interests		-50	-127	-1,201	-2,030	-1,010	+50%
Attributable to equity holders of RMG		**-142,477**	**64,368**	**21,473**	**-10,931**	**79,942**	**+831%**
Net result attributable to equity holders of RMG - margin		***-47.6%***	***22.2%***	***7.8%***	***-4.3%***	***28.9%***	

Balance sheet	in thousands of euros	2014	2015	2016	2017	2018	Trend
Non-current assets		271,778	319,007	307,445	166,259	184,108	+10.7%
Current assets		261,376	130,674	135,756	250,849	171,000	-31.8%
Balance sheet total		533,154	449,681	443,201	417,108	355,108	-14.9%
Equity - Group's share		143,277	207,649	222,293	202,999	222,561	+9.6%
Equity - minority interests		2,475	1,868	1,762	1,906	1,100	-42.3%
Liabilities		387,402	240,164	219,146	212,203	131,447	-38.1%
Liquidity [3]		1.2	1.1	1.4	1.3	1.5	+15.4%
Solvency [4]		27.3%	46.6%	50.6%	49.1%	63.0%	+28.3%
Net financial debt		82,027	75,680	57,443	62,552	-95,658	-252.9%
Gearing [5]		56.3%	36.1%	25.6%	30.5%	-42.8%	-240.2%

(*) 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.
(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	2014	2015	2016(*)	2017	2018
Equity - Group's share		11.48	16.63	17.76	16.19	17.75
EBITDA		2.79	2.69	1.35	0.15	0.51
EBIT		1.76	2.51	0.59	-0.96	-5.23
Net result RMG		-11.41	5.16	1.72	-0.87	6.37
Net result RMG after dilution		-11.41	5.14	1.70	-0.87	6.35
Gross dividend		0.00	0.50	0.50	0.00	5.50
Price/Earnings (P/E) [2]		**7.87**	**10.12**	**15.01**	**-21.23**	**2.33**
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	12,486,031	12,515,767	12,534,766	12,541,645
Weighted average number of shares after dilution		12,483,273	12,517,300	12,611,966	12,609,509	12,597,381
Highest share price		14.30	25.10	26.93	28.95	25.40
Share price at year-end		12.25	24.50	24.32	21.95	14.65
Market capitalisation in million EUR at 31/12		160.98	321.96	319.59	288.45	192.52
Yearly volume in million EUR		6.00	25.90	25.66	30.55	15.58
Yearly volume in number		489,755	1,516,330	1,069,743	1,342,752	753,405

(*) 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. From 2016 it is assumed that the current net profit equals net result.

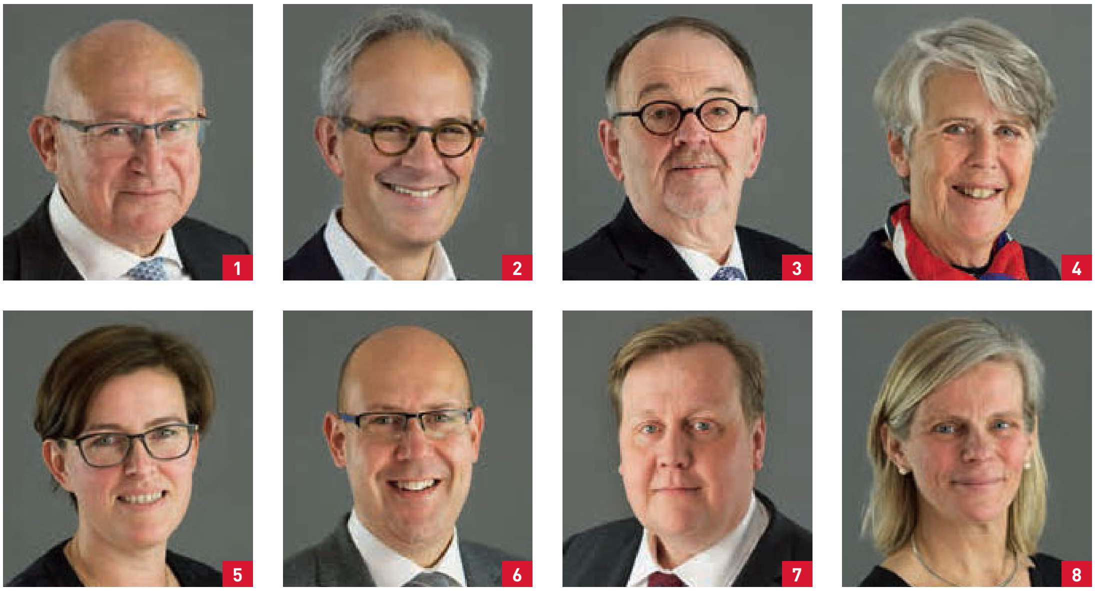
Executive Management Committee

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

Management team RMG

1. William De Nolf Web/app development and digital marketing I **2. Katrien De Nolf** Director Human Resources I **3. Philippe Belpaire** Director National Advertising I **4. Xavier Bouckaert** CEO I **5. Willem Vandenameele** Director IT I **6. Erwin Danis** Innovation Lab I **7. Jan Cattrysse** Director Administration I **8. Jeroen Mouton** CFO I **9. Sophie Van Iseghem** Secretary-General I **10. Stefan Seghers** CDO I **11. William Metsu** Director Printing I **12. Luk Wynants** Director Local Media I **13. Stefaan Vermeersch** Director Krant van West-Vlaanderen I **14. Jos Grobben** Director Magazines

Board of Directors RMG



1. **Rik De Nolf** I Executive Chairman of the Board of Directors (2022)
2. **Xavier Bouckaert** I Permanent Representative of Koinon Comm.VA I Executive Director I Managing Director (2022)
3. **Carel Bikkers** I Independent Director (2022) I Chairman of the Audit Committee I Member of the Appointments and Remuneration Committee
4. **Lieve Claeys** I Non-executive Director (2022)
5. **Coralie Claeys** I Permanent Representative of Verana NV I Non-executive Director (2020)
6. **Francis De Nolf** I Permanent Representative of Alauda NV I Executive Director (2019)
7. **Koen Dejonckheere** I Permanent Representative of Invest at Value NV I Independent Director (2022) I Member of the Audit Committee I Member of the Appointments and Remuneration Committee
8. **Caroline Pauwels** I Independent Director (2022)

DECLARATION REGARDING THE INFORMATION GIVEN IN THIS 2018 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 21 May 2019 concerning the consolidated financial statements for the period ended 31 December 2018.

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 8 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 2018 in the media business, in particular in magazines, newspapers, local media, TV, internet, line extensions, exhibitions and graphic production.

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 2018 FINANCIAL YEAR

First semester of 2018:

- In January 2018, Roularta Media Group made a binding offer for various brands of Sanoma. On 30 June 2018, the acquisition of Libelle, Femmes d'Aujourd'hui, Flair, GAEL, Feeling and a number of smaller brands was completed. Sanoma purchased Roularta Media Group's brands Ik ga Bouwen and Je vais Construire. € 15.3 million net was already paid by Roularta in 2018. The balance of just under € 7.9 million of the acquisition amount must be paid by Roularta to Sanoma in mid-2019.
- The sale of 50% of Medialaan was completed in January 2018. In addition to the consolidated capital gain of € 145.7 million, € 4.6 million interest was also received, which was booked under 'discontinued operations'.
- In March 2018, the acquisition of 50% of Mediafin was completed.
- Both transactions together, the sale of Medialaan and the purchase of Mediafin, resulted in a cash balance of approximately € 222 million for Roularta.
- In March 2018, Mediafin completed the 100% acquisition of BeReal and BePublic.
- RMG's participation in Proxistore was diluted in May 2018 to 24.9%.
- In June 2018, a capital increase in Storesquare NV of € 5 million took place, with RMG subscribing for € 3.2 million. RMG holds a participation percentage of 65%.

Half year 2018:
In connection with the sale of Medialaan, Roularta Media Group decided on 30 June 2018 to report the results according to two new segments: the Media Brands segment and the Printing Services segment.

Due to the change in segments and the new view on media brand management, the cash-generating units were also changed effective 30 June. As a result, the board of directors of Roularta Media Group decided to book a significant impairment. The net carrying amount for intangible fixed assets of € 198 million on 30/06/2018 (€ 80.5 million of which is recognised in the balance sheet for joint ventures), additional impairment losses of € 69.2 million were booked for the first half of year, of which € 63.2 million on Roularta Media Group NV and subsidiaries with impact below EBITDA and € 6.0 million on joint ventures with impact within EBITDA (including neutralisation of deferred taxes, the impact on EBITDA is € 4.7 million). The impairment has no cash consequences. In addition, it was also decided that no brand has an unlimited lifetime, so that annual depreciation will be applied to the recent acquisitions and remaining brands.

Second semester of 2018:
In July 2018:

- an interim dividend was awarded and paid out at € 5 gross per share.
- the remaining 75% of shares of Mediaplus BV were acquired by Senior Publications Nederland BV, a 50% subsidiary of Roularta Media Group NV.
- the 51% participation of Roularta Media Group in the company Zeeuws Vlaams Mediabedrijf BV is to De Persgroep.
- Bright Communications Antwerpen merged with Bright Communications.
- various non-profit associations were liquidated: Journée Découverte Entreprises ASBL, Open Bedrijven VZW, Ter bevordering van het ondernemerschap VZW
- In October 2018, the bond loan of € 100 million was repaid.
- In November 2018, Roularta took over the online neighbourhood platform "Postbuzz" as a spearhead for the digital local advertising market.
- In November 2018, the activities of Roularta Healthcare were taken over into Roularta Media Group, after which the company Roularta Healthcare was liquidated.
- At the end of December 2018, the company Regional TV Media was liquidated.
- At the end of December 2018, Roularta Media Group bought out the last contracts that expired related to the Econocom lease for € 2.1 million.

KEY FINANCIAL DATA

Income statement	in thousands of euros	31/12/2018	31/12/2017	Trend
Sales		**277,008**	**256,768**	**+ 7.9%**
Adjusted sales [1]		*238,014*	*255,383*	*- 6.8%*
EBITDA [2]		**6,336**	**1,927**	**+ 228.8%**
	EBITDA - margin	*2.3%*	*0.8%*	
EBIT [3]		**-65,547**	**-12,035**	**- 444.6%**
	EBIT - margin	*-23.7%*	*-4.7%*	
Net finance costs		-5,075	-4,858	+ 4.5%
Operating result after net finance costs		**-70,622**	**-16,893**	**-318.1%**
Income taxes		-1,539	-14,578	-89.4%
Net result from continuing operations		**-72,161**	**-31,471**	**-129.3%**
Net result from discontinued operations		**151,093**	**18,510**	**+ 716.3%**
Net result		**78,932**	**-12,961**	**+ 708.9%**
Attributable to minority interests		-1,010	-2,030	+ 50.2%
Attributable to equity holders of RMG		**79,942**	**-10,931**	**+ 831.3%**
	Net result attributable to equity holders of RMG - margin	*28.9%*	*-4.3%*	

Balance sheet	in thousands of euros	31/12/2018	31/12/2017	Trend
Non-current assets		184,108	166,259	+10.7%
Current assets		171,000	250,849	-31.8%
Balance sheet total		355,108	417,108	-14.9%
Equity - Group's share		222,561	202,999	+9.6%
Equity - minority interests		1,100	1,906	-42.3%
Liabilities		131,447	212,203	-38.1%
Liquidity [4]		1.5	1.3	+15.4%
Solvency [5]		63.0%	49.1%	+28.3%
Net financial debt		-95,658	62,552	-252.9%
Gearing [6]		-42.8%	30.5%	-240.3%

(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

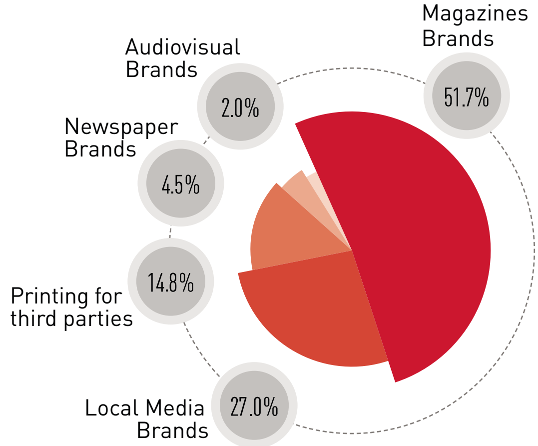
Consolidated sales for 2018 enjoyed an increase of 7.9%, from € 256.8 to € 277.0 million. The acquisitions in 2018 (Women Brands) and 2017 (Landleven and STERCK.) provided a positive contribution to revenue of € 39 million. The decline in advertising revenues at Local Media (-14.0%) and the newspapers (-9.5%) was partly offset by the growth in advertising revenues for the internet (+6.0%) and the magazines (+9.8%). The increase in advertising revenues from magazines of 9.8% consists of an 18.6% increase in the Women Brands and an 8.8% decrease in News Brands. In addition, the Women Brands and Landleven are having a positive effect on the readership market: revenue from newsstand sales and subscriptions increased by 41.2%.

EBITDA increased from € 1.9 million to € 6.3 million. EBITDA from the fully consolidated entities amounts to € 8.1 million and the net result of joint ventures, included in the EBITDA line, amounts to - € 1.8 million. Without a one-off € 1.0 million impact for a 2011 bankruptcy, which was anticipated years ago and was now cancelled within write-downs of trade receivables (under EBITDA) and the impairment impact for joint ventures of € 4.7 million, EBITDA would have amounted to € 12.0 million.

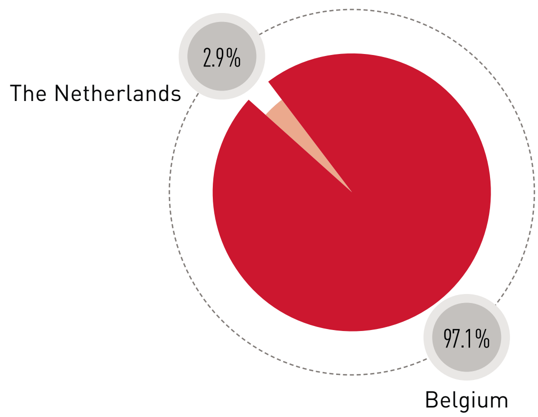
EBIT contains the aforementioned impairment of € 69.2 million, as a result of which it evolved from -€ 12.0 million to -€ 65.5 million.

Net finance costs are in line with last year (+€ 0.2 million 2018 compared to 2017).
Deferred tax assets of € 5.4 million were on the balance sheet at the end of 2017. During 2018, € 1.0 million in taxes was recovered in addition to an expected cash-out tax of € 0.5 million. At the acquisition of the Women Brands segment, deferred tax assets of € 1.0 million were booked through the opening balance. These deferred tax assets reduce the taxable basis, as a result of which tax losses, established in the past, can no longer be recovered in the near future and have been written off as such. On the line "**Income taxes**", in addition to the expected cash-out taxes (€ 0.5 million), we also obtain the same deferred tax expense of € 1.0 million.

Consolidated sales by various activity categories



Consolidated sales regional



The **net result of discontinued operations** concerns the result and the sale to De Persgroep in January of 50% of the shares in Medialaan group (the TV channels VTM, Q2, Vitaya, CAZ, the radio channels Qmusic and JoeFM, Mobile Vikings, etc.).

The - € 1.0 million **minority interest** in 2018 was for € 1.0 million due to the loss at Storesquare NV, of which RMG currently holds 65% of the shares.

Thus the net result **attributable to the equity holders of RMG** amounts to € 79.9 million, or € 6.37 per share.

2018 CONSOLIDATED RESULTS BY SEGMENT

Consolidated sales by segment (in thousands of euros)

Segment	31/12/2018	31/12/2017	Trend
Media Brands	241,570	221,436	+9.1%
Printing Services	78,180	78,343	-0.2%
Intersegment sales	*-42,742*	*-43,011*	
Consolidated sales	**277,008**	**256,768**	**+7.9%**

As a result of the sale of Medialaan, Roularta Media Group reports the results according to two new segments. The first segment, **Media Brands**, refers to all brands that are operated by RMG and its participations. It includes all sales of advertising, subscriptions, newsstand sales and line extensions of the brands. The second segment, **Printing Services**, is responsible for pre-media and printing activities for in-house brands and external customers. Reporting on the segments in consolidated figures is done to Gross Margin level. There is a strong interrelation between these segments, and supporting services are extensively shared.

Media Brands

Income statement in thousands of euros	31/12/2018	31/12/2017	Trend
Sales	**241,570**	**221,436**	**+9.1%**
Adjusted sales [1]	202,576	220,051	-7.9%
Gross margin	**179,269**	**157,778**	**+13.6%**
Gross margin on sales	*74.2%*	*71.3%*	

(1) Adjusted sales = like-for-like, i.e. adjusted for changes in the consolidation scope.

Sales from the Media Brands segment increased by 9.1% or € 20.1 million, from € 221.4 to € 241.6 million.

Advertising

Revenue from the complimentary magazines of the Roularta Local Media department declined by 14.0% compared to 2017. Advertising revenues from the newspapers fell by 9.5%. These decreases were mitigated by the increase in advertising in magazines by 9.8%, due to the positive effect of the Women Brands in the second half of 2018. Advertising revenues from the various internet sites continued to grow, recording an increase of 6.0%.

Readership market

Revenue from the readership market (newsstand sales and subscriptions) increased by 41.2% compared to 2017. The Women Brands had a positive effect of +35.8% and Landleven +7.4%. Without these magazines, the readership market would have decreased by 2.0%.

Miscellaneous

Revenue from Line Extensions and Miscellaneous rose by 7.8%. Without Landleven, STERCK. and the Women Brands, the decrease is 6.8%. Sales of books, ancillary products and audio for the non-Women Brands fell.

Gross margin rose from 71.3% to 74.2% of revenue. In absolute terms, this represents an increase of € 21.5 million.

Printing Services

Income statement in thousands of euros	31/12/2018	31/12/2017	Trend
Sales	**78,180**	**78,343**	**-0.2%**
Adjusted sales [1]	78,180	78,343	-0.2%
Gross margin	**40,286**	**42,246**	**-4.6%**
Gross margin on sales	*51.5%*	*53.9%*	

(1) Adjusted sales = like-for-like, i.e. adjusted for changes in the consolidation scope.

Sales from the Printing Services segment was stable and amounted to € 78.2 million.

Underlying this, we see external revenue continuing at the same level, growing revenue from printing for the Media Brands segment and declining revenue for pre-media services to the Media Brands segment.

Gross margin decreased by € 2.0 million to € 40.3 million, mainly due to the decrease in pre-media revenue. Since pre-media mainly consists of services and thus enjoys an almost 100% gross margin, the gross margin percentage in this segment also fell.

The increase in paper prices can largely be contractually passed on to the external customer, sometimes with a slight delay. For intra-segment sales, a paper price increase is passed on to the Media Brands segment.

BALANCE SHEET

On 31 December 2018, **equity – Group's share** was € 222.6 million compared to € 203.0 million on 31 December 2017. The movement in equity consists mainly of the result for 2018 (+€ 79.9 million) less the interim dividend (-€ 62.7 million).
As of 31 December 2018, the **consolidated net financial debt** (= current cash less financial debts) was € 95.7 million compared to -€ 62.6 million or an increase of € 158.3 million. This came mainly from the sale of Medialaan (+€ 279.6 million) and the last tranche of payments for the French activities sold (+€ 15.0 million), less the purchase of Mediafin (-€ 58 million), less the purchase of Sanoma brands (-€ 15.9 million) and less the paid interim dividend (-€ 62.7 million). In addition, the integral repayment of the bond loan (-€ 100 million) took place, resulting in a decrease in both current cash and financial debts.

INVESTMENTS

Total consolidated investments in 2018 amounted to € 39.9 million, of which € 32.9 million were investments in Sanoma's Women Brands, € 2.7 million in software investments and € 4.3 million in tangible fixed assets (mainly machines for the Printing Services segment).

MAIN EVENTS AFTER THE BALANCE SHEET DATE

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. A small German title "Leben & Erziehen" was sold on April 3 by our joint venture Bayard Media.

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 has used exchange rate contracts in the past 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. Given the sale of Medialaan in January 2018, the Group does not use any exchange rate contracts.

To hedge risks with respect to adverse interest rate fluctuations, the Group has used financial instruments, namely Interest Rate Swap (IRS) contracts. As there are no longer any outstanding loans at the end of 2018 with a variable interest rate, the group is not subject to sensitivity to interest rate fluctuations at 31 December 2018.

STAFF

As at 31 December 2018, the Group has 1,287 full-time equivalent (FTE) employees, compared with 1,276 full-time equivalent (FTE) employees the previous year. These figures exclude joint ventures.

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 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 Printing Services division, such as printing, distribution and staff 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 cannot 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 activities

The Group has the necessary approvals for undertaking its 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 minimal currency risk with respect to the USD. The identified currency risks in the past related to the (expected) purchases in USD in the Audiovisual Media segment. Given the sale of Medialaan in January 2018, this risk has become very minimal. In addition, the Group incurs to a certain extent foreign currency risks related to its operational activities.

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. At the end of 2018 this risk became minimal.

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.

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. Roularta is indeed almost fully debt-free and enjoyed a cash position of more than € 95 M at the end of 2018. Liquidity risk is therefore now minimal.

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 cannot 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, 8 April 2019.
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 is responsible for developing and monitoring this risk management system. The post of internal auditor is currently vacant.

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

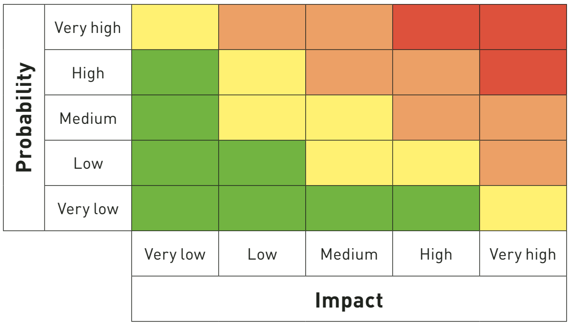
- *Type description:*
  Risks taken in expectation of a major strategic benefit.
- *Risk limitation objective:*
  Limiting potential risk and impact in a cost-effective way.

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]	8,989,665	68.409%
S.A. West Investment Holding [1]	522,136	3.973%
Bestinver Gestión S.G.I.I.C. S.A.	998,725	7.600%
NV Capfi Delen Asset Management	394,201	2.999%
Treasury shares [2]	596,935	4.542%
Individual and institutional investors	1,639,461	12.476%

(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.
(2) Situation on 31/03/2019.

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 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.

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 30 August 2018 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

During the financial year 2018 the board of directors of NV Roularta Media Group had nine members:

- Mr Rik De Nolf, executive director and chairman of the board (2022).

- 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 (2022), Ms Coralie Claeys, permanent representative of NV Verana (2020), Ms Lieve Claeys (2022), Mr Joris Claeys, permanent representative of NV Cennini Holding (2022) and Mr Francis De Nolf, permanent representative of NV Alauda (2019).

- Three independent directors, all of whom hold executive corporate functions:
  - » *Mr Carel Bikkers (2022), permanent representative of BV Carolus Panifex Holding,* 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 (2022), permanent representative of NV Invest at Value.*
    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 (2022), permanent representative of SPRL Mandatum,* 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.

Following a reorganisation of shareholdership between the reference shareholders Koinon Comm.VA and West Investment Holding S.A., NV Cennini Holding, represented by its permanent representative Mr Joris Claeys, offered its resignation as director on 17 August 2018.

BV Carolus Panifex Holding, represented by its permanent representative, Mr Carel Bikkers, also offered its resignation as director. On the recommendation of the appointments and remuneration committee, Mr Carel Bikkers was co-opted as a director in his own name on 1/10/2018. The following general meeting will be asked to confirm this appointment.

On 1 January 2019, Prof Caroline Pauwels PhD was co-opted by the board of directors as independent director on the recommendation of the appointments and remuneration committee. She succeeds Mr Marc Verhamme, permanent representative of SPRL Mandatum, who offered his resignation as director.

Prof Caroline Pauwels PhD is rector of the Vrije Universiteit Brussel. Until 2016, she was director of the SMIT research centre, which specialises in the study of information and communication technologies, and since 2004 has been part of iMinds, which merged with IMEC in 2016. At iMinds, Caroline Pauwels led the Digital Society department that brings together research groups from Ghent, Leuven and Brussels. She was awarded the national Francqui Chair from the University of Ghent in 2014, and was holder of the Jean Monnet Chair between 2012 and 2016. In addition, she serves on various boards of directors, she served as government commissioner at the VRT, and is a member of the Royal Flemish Academy of Belgium for Sciences and Arts.

Prof Caroline Pauwels PhD meets the independence criteria contained in Article 526ter of the Belgian Companies Code.

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

- To reappoint NV Alauda, represented by its permanent representative, Mr Francis De Nolf, whose mandate ends at the coming general meeting, as a director for a four-year term until the 2023 general meeting;
- to confirm the co-optation of the appointment of Mr Carel Bikkers as independent director following the resignation from the mandate by BV Carolus Panifex Holding for the duration of the mandate of his predecessor, this being until the general meeting of 2022;
- to confirm the co-optation of the appointment of Prof Caroline Pauwels PhD as independent director following the resignation from the mandate by SPRL Mandatum for the duration of the mandate of her predecessor, this being until the general meeting of 2022.

The Corporate Governance Code recommends that the board of directors be chaired by a non-executive director. Deviations from this recommendation (principle 4.2) 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 2018 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 2018 [1]:

Rik De Nolf, Chairman	7
Xavier Bouckaert, CEO	7
Marc Verhamme, Vice-Chairman	7
Carel Bikkers	7
Joris Claeys (until 17/08/2018 included)	5
Lieve Claeys	7
Coralie Claeys	7
Francis De Nolf	7
Koen Dejonckheere	6

[1] *Includes two board meetings by telephone.*

During the past year there was also a meeting of the independent directors. For 2019, six board meetings are planned.

Audit committee

The audit committee consists solely of independent directors. After the general meeting of 2018 Mr Koen Dejonckheere (permanent representative of NV Invest at Value) replaced Mr Marc Verhamme (permanent representative of SPRL Mandatum) as a member of the audit committee. 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 members of the audit committee have collective expertise related to the activities of Roularta Media Group cf. Article 526 bis § 2 of the Companies Code.

The audit committee met four times in 2018. During these meetings the audit committee controlled the integrity of the financial information of the company, closely monitored the activities of the internal and external auditor, and where it deemed necessary, made recommendations in these respects to the board of directors.

At the invitation of the chairman, the audit committee was attended by the statutory auditor, the CEO, the chairman of the board of directors, the CFO and the internal auditor. The statutory auditor attended two times the meetings of the audit committee in 2018. Due to the departure of the internal auditor during the course of the financial year, the internal auditor attended only one meeting of the audit committee.

Attendance at audit committee meetings in 2018:

Carel Bikkers, Chairman	4
Marc Verhamme (until 14/05/2018 included)	2
Koen Dejonckheere (from 15/05/2018)	1

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 is composed of a majority of independent, non-executive directors.

Following the resignation of the mandate of SPRL Mandatum as director, represented by its permanent representative Mr Marc Verhamme, the board of directors decided, with effect from 1 January 2019, to replace Mr Marc Verhamme in the appointments and remuneration committee with Mr Koen Dejonckheere (permanent representative of NV Invest at Value). The appointments and remuneration committee (cf. Article 526 quater of the Companies Code) has the necessary expertise in the field of remuneration policy.

The appointments and remuneration committee will be chaired by the chairman of the board of directors from 1 January 2019, unless this committee meets concerning his possible succession or remuneration. The CEO participates 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.

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

The appointments and remuneration committee met two times during 2018. The main item on its agenda was: preparing the remuneration report and reviewing the remuneration and bonus policy of the executive management and the (diverse) composition of the board of directors and its committees.

Attendance at appointments and remuneration committee meetings in 2018:

Carel Bikkers	2
Marc Verhamme, Chairman	2

ASSESSMENT OF THE BOARD AND BOARD COMMITTEES

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

Every year the non-executive directors assess their interaction with senior management and, where appropriate, make proposals to the chairman of the board of directors for improving this interaction.
The contribution of each director is reviewed at regular intervals. In the event of a reappointment, the engagement and the effectiveness of the director is evaluated.

GENDER DIVERSITY

As of 1 January 2019, the board of directors has three female and five male board members. With this, Roularta Media Group meets the legal quota under Article 518bis on gender diversity within the board of directors.

In addition to gender diversity, the board of directors values other diversity perspectives such as independence, age, education, professional experience and nationality. The board of directors believes that the diversity in its composition ensures a varied input of opinions and visions. The resulting interaction will lead to more quality deliberations and decision-making.

COMPOSITION OF EXECUTIVE MANAGEMENT

The executive management of Roularta Media Group consists of the executive management committee and the management team (see pages 30-31).

The RMG management team was expanded in September to include Stefan Seghers who was appointed Chief Digital Officer (CDO). As CDO, Stefan Seghers is in charge of the Roularta Digital Hub, which will accelerate digitisation at RMG.

Erwin Danis, former premedia director, is responsible for the Innovation Lab since 3 September 2018. The Innovation Lab investigates new technologies, tools, software and start-ups, and evaluates their potential added value for RMG.

The premedia component was brought again under the print shop, under the direction of William Metsu.

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) directors is the attraction and retention of qualified directors 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. 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 executive chairman of the board of directors is granted separate remuneration of EUR 187,121.52 as a member of the executive management committee and by extension of executive management. As compensation for PR activities and participations as a representative of Roularta Media Group to boards of directors and events, executive director Alauda NV is granted a fixed annual remuneration of EUR 50,000.
The directors (executive and non-executive) 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 directors' remuneration policy will not be changed in the two coming financial years. However, from 2019 the position of vice-chairman is no longer foreseen for the board of directors. The remuneration corresponding to this position will be cancelled as from the general meeting of 2019.

Directors' remuneration 2018

		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 (until 14/05/2018 included) – Chairman appointments and remuneration committee	Non-executive & independent	EUR 50,000.00	–
Carel Bikkers permanent representative of BV Carolus Panifex Holding (until 30/09/2018 included) and from then on in his own name – Chairman audit committee – member appointments and remuneration committee	Non-executive & independent	EUR 10,000.00	EUR 37,500.00
Joris Claeys (until 17/08/2018 included) permanent representative of NV Cennini Holding	Non-executive	EUR 7,500.00	EUR 7,500.00
Lieve Claeys	Non-executive	EUR 10,000.00	EUR 12,500.00

Coralie Claeys permanent representative of NV Verana	Non-executive	EUR 10,000.00	EUR 12,500.00
Francis De Nolf permanent representative of NV Alauda	Executive	EUR 10,000.00	EUR 12,500.00
Koen Dejonckheere permanent representative of NV Invest at Value – member audit committee as from 15/05/2018	Non-executive & independent	EUR 10,000.00	EUR 12,500.00

Remuneration of members of executive management

The remuneration of the members of executive management is set by the board of directors based on the recommendation of the appointments and remuneration committee.

The level and structure of the remuneration of the executive management need to enable the company to attract, retain and continually motivate qualified and skilled managers, taking into account the nature and scope of their individual responsibilities.

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

In 2018, 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 2018 a gross fixed remuneration of EUR 669,513.72 (excluding directors' remuneration). The remuneration package for the CEO does not include shares, share options, pension contributions, bonus, nor are fringe benefits included.

The members of the management team (excluding the CEO and executive chairman) together received the following gross remunerations:

- basic salaries and invoiced fees of EUR 1,737,220.36;
- a total of EUR 295,565.00 in bonuses, of which EUR 140,150.00 was paid in cash and EUR 155,415.00 was paid into the group insurance;

- the pension contributions for 2018 total EUR 104,605.20, of which EUR 92,668.44 of payments into a defined contributions pension plan and EUR 11,936.76 of payments into a savings/ group insurance;
- and other components amounting to EUR 46,302.21 of which EUR 35,113.20 of standard employer-specific costs and EUR 11,189.01 employer's contribution to luncheon vouchers.

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

In the table above 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.

2,250 options were exercised by the following members of the executive management during the course of 2018, at an exercise price of 15.71 euros:

Erwin Danis	1,000
William Metsu	500
Willem Vandenameele	250
Sophie Van Iseghem	500

There were no new options granted during 2018, 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.

For Katrien De Nolf (director of human resources), William De Nolf (web/app development and digital marketing), Stefan Seghers (CDO) and Stefaan Vermeersch (director of Krant van West-Vlaanderen) there is a notice period of 6 months or equivalent severance pay. For Jeroen Mouton (CFO) there is a notice period of 5 months or equivalent severance pay.

Consolidated financial statements

1. CONSOLIDATED INCOME STATEMENT

in thousands of euros	Note	2018	2017
Sales	3	277,008	256,768
Own construction capitalised		1,407	1,570
Raw materials, consumables and goods for resale		-61,730	-61,055
Services and other goods	4	-112,276	-102,056
Personnel	5	-94,522	-92,752
Other operating income	7	4,824	3,953
Other operating expenses	7	-6,544	-5,422
Share in the result of associated companies and joint ventures	17	-1,831	921
EBITDA		**6,336**	**1,927**
Depreciation, write-down and provisions		-71,883	-13,962
Depreciation and write-down of intangible and tangible assets		*-11,658*	*-11,327*
Write-down of inventories and debtors	*6*	*888*	*-492*
Provisions		*2,091*	*942*
Impairment losses	*8 & 15*	*-63,204*	*-3,085*
EBIT		**-65,547**	**-12,035**
Financial income	9	268	883
Financial expenses	9	-5,343	-5,741
Operating result after net finance costs		**-70,622**	**-16,893**
Income taxes	10	-1,539	-14,578
Net result from continuing operations		**-72,161**	**-31,471**
Net result from discontinued operations	11	151,093	18,510
Net result of the consolidated companies		**78,932**	**-12,961**
Attributable to:			
Minority interests		-1,010	-2,030
Equity holders of Roularta Media Group		**79,942**	**-10,931**

Earnings per share in euros	Note	2018	2017
From continuing and discontinued operations			
Basic earnings per share	13	6.37	-0.87
Diluted earnings per share	13	6.35	-0.87
From continuing operations			
Basic earnings per share	13	-5.67	-2.35
Diluted earnings per share	13	-5.65	-2.33

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of euros	Note	2018	2017
Net result of the consolidated companies		**78,932**	**-12,961**
Other comprehensive income of the period			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences		-52	-25
Cash flow hedges	32	64	-64
Deferred taxes relating to other comprehensive income		-16	16
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Non-current employee benefits - actuarial gain / loss		2,885	-1,672
Deferred taxes relating to other comprehensive income		-721	230
Discontinued activities - long-term employee benefits - actuarial gains / losses			-467
Discontinued activities - deferred taxes related to unrealised period results			82
Share of non-reclassifiable other comprehensive income of joint ventures and associates		-10	13
Other comprehensive income of the period		**2,150**	**-1,887**
Total comprehensive income		**81,082**	**-14,848**
Attributable to:			
Minority interests		-1,010	-2,030
Equity holders of Roularta Media Group		**82,092**	**-12,818**

3. CONSOLIDATED BALANCE SHEET

ASSETS in thousands of euros	Note	2018	2017
Non-current assets		**184,108**	**166,259**
Intangible assets	15	57,796	91,280
Property, plant and equipment	16	54,078	55,427
Investments accounted for using the equity method	17	63,686	10,285
Other investments, loans, guarantees	18	2,526	2,104
Trade and other receivables	19	219	600
Deferred tax assets	20	5,803	6,563
Current assets		**171,000**	**250,849**
Inventories	21	6,348	5,548
Trade and other receivables	19	65,756	69,915
Tax receivable		483	352
Cash and cash equivalents	22	95,956	42,984
Deferred charges and accrued income		2,457	3,047
Assets held for sale	12	0	129,003
Total assets		**355,108**	**417,108**

LIABILITIES	in thousands of euros	Note	2018	2017
Equity			**223,661**	**204,905**
Group's equity			222,561	202,999
Issued capital		*23*	*80,000*	*80,000*
Treasury shares		*23*	*-23,705*	*-23,787*
Retained earnings			*162,134*	*145,549*
Other reserves		*23*	*4,175*	*1,228*
Translation differences			*-43*	*9*
Minority interests			1,100	1,906
Non-current liabilities			**15,211**	**19,372**
Provisions		25	8,083	7,041
Employee benefits		27	5,778	6,574
Deferred tax liabilities		20	1,063	1,185
Financial debts		28	0	4,285
Other payables		29	287	287
Current liabilities			**116,236**	**192,831**
Financial debts		28	298	101,251
Trade payables		29	52,790	38,879
Advances received		29	25,175	18,743
Employee benefits		29	16,025	14,603
Taxes		29	259	111
Other payables		29	14,814	11,655
Accrued charges and deferred income		29	6,875	7,589
Total liabilities			**355,108**	**417,108**

4. CONSOLIDATED CASH FLOW STATEMENT

in thousands of euros	Note	2018	2017
Cash flow relating to operating activities			
Net result of the consolidated companies		78,932	-12,961
Share in the results of associated companies and joint ventures	17	1,046	-19,431
Income tax expense / income	10	1,539	14,578
Interest expenses		5,343	5,741
Interest income (-)		-268	-883
Losses (+) / gains (-) on disposal of intangible assets and property, plant and equipment		-764	-135
Losses (+) / gains (-) on disposal of business		-150,396	78
Dividends received from associated companies and joint ventures		5,550	8,496
Non-cash items		71,990	14,133
Depreciation of (in)tangible assets	*15 & 16*	*11,658*	*11,327*
Impairment losses	*15*	*63,204*	*3,085*
Share-based payment expense	*5*	*102*	*125*
Increase (+) / decrease (-) in provisions		*-2,091*	*-942*
Other non-cash items		*-883*	*538*
Gross cash flow relating to operating activities		**12,972**	**9,616**
Increase / decrease in current trade receivables		-10,360	2,353
Increase / decrease in current other receivables and deferred charges and accrued income		1,181	1,571
Increase / decrease in inventories		-779	625
Increase / decrease in current trade payables		5,799	-3,628
Increase / decrease in other current liabilities		4,799	-2,037
Other increases / decreases in working capital (a)		466	128
Increase / decrease in working capital		**1,107**	**-988**
Income taxes paid		-810	-234
Interest paid		-6,485	-5,707
Interest received		267	817
NET CASH FLOW RELATING TO OPERATING ACTIVITIES (A)		**7,051**	**3,504**

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

in thousands of euros	Note	2018	2017
Cash flow relating to investing activities			
Intangible assets - acquisitions	15	-2,757	-11,387
Tangible assets - acquisitions	16	-4,232	-4,973
Intangible assets - other movements		79	4
Tangible assets - other movements		51	147
Net cash flow relating to acquisition of subsidiaries and sector acquisitions	33	-73,994	-5,020
Net cash flow relating to disposal of subsidiaries and sector acquisitions	34	294,947	17,125
Net cash flow relating to loans to investments accounted for using the equity method		-86	-246
Available-for-sale investments, loans, guarantees - acquisitions	18	-451	-75
Available-for-sale investments, loans, guarantees - other movements		25	441
Increase / decrease in short-term investments		0	46
NET CASH FLOW RELATING TO INVESTING ACTIVITIES (B)		**213,582**	**-3,938**
Cash flow relating to financing activities			
Dividends paid		-62,713	-6,268
Treasury shares		82	144
Other changes in equity		416	1,673
Redemption of current financial debts		-102,850	-1,746
Redemption of non-current financial debts		-2,425	-950
Decrease in non-current receivables		129	
Increase in non-current receivables		-300	
NET CASH FLOW RELATING TO FINANCING ACTIVITIES (C)		**-167,661**	**-7,147**
TOTAL DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**52,972**	**-7,581**
Cash and cash equivalents, beginning balance		42,984	50,565
Cash and cash equivalents, ending balance		95,956	42,984
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS		**52,972**	**-7,581**

Notes to the consolidated cash flow statement

The cash flow statement shows that in 2018 there was a positive cash creation of € 53.0 M, compared to € 7.6 M negative cash generation in 2017.

Net cash flow relating to operating activities increased by € 3.5 M to € 7.1 M in 2018, partly due to the € 3.4 M dividend received from Mediafin and a slightly improved working capital position.

Net cash flow relating to investing activities was € 213.6 M in 2018. The largest cash flow came from the sale of Medialaan (€ 279.6 M). In comparison with 2017, there was € 8.6 M less in investments in intangible fixed assets (mainly brands, since € 8.8 M was capitalised in 2017 as a result of the takeover of Landleven). In addition, € 58.0 M was allocated for the purchase of Mediafin and € 15.9 M of the total of € 23.8 M for the Women Brands.

Net cash flow relating to financing activities evolved from -€ 7.1 M in 2017 to -€ 167.7 M in 2018. In October 2018 repayment took place of the bond loan in the amount of € 100 M. In addition, there was an interim dividend of € 62.7 M in July and early repayment of loans.

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2018 in thousands of euros	Issued capital	Treasury shares	Retained earnings	Other reserves	Translation differences	Minority interests	Total equity
Balance as of 01/01/2018	**80,000**	**-23,787**	**145,549**	**1,228**	**9**	**1,906**	**204,905**
Total comprehensive income for the period			79,942	2,202	-52	-1,010	**81,082**
Capital increase through minority interests						1,750	**1,750**
Operations with own shares		82					**82**
Dividends			-62,713				**-62,713**
Recognition of share-based payments				102			**102**
Effect of purchase / sale of minority interests						-1,278	**-1,278**
Dividend paid to minority interests						-3	**-3**
Other changes in the Group structure			-644	643		-265	**-266**
Balance as of 31/12/2018	**80,000**	**-23,705**	**162,134**	**4,175**	**-43**	**1,100**	**223,661**

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**

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 8 April 2019 and can be amended until the shareholders' meeting of 21 May 2019.

New and revised standards and interpretations

Standards and interpretations applicable for the annual period beginning on 1 January 2018 (all applicable for financial years starting 1 January 2018):

- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*
- Amendments to IFRS 4 *Applying* IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts*
- IFRS 9 *Financial Instruments and subsequent amendments*
- IFRS 15 *Revenue from Contracts with Customers*, including amendments to IFRS 15: effective date of IFRS 15 and clarifications of IFRS 15.
- Amendments to IAS 40 *Transfers of Investment Property*
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*
- Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1 and IAS 28

IFRS 9 Financial Instruments

The final version of IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for:

1. classification and valuation of financial assets and financial liabilities;
2 impairment losses of financial assets and
3. general hedge accounting.

IFRS 9 applies to financial years starting on or after 1 January 2018. Details of these new requirements and their impact on the consolidated financial statements of the Group are described below.

The Group applied IFRS 9 in accordance with the transitional provisions set out in IFRS 9.

The date of first application (the date on which the Group finances its existing financial assets and financial liabilities in terms of the IFRS 9 requirements) is 1 January 2018. Consequently, the Group has applied the requirements of IFRS 9 to instruments that appear on the balance sheet as at 1 January 2018 and the requirements of IFRS 9 have not been applied to instruments that were removed from the balance sheet as at 1 January 2018. Comparative amounts with regard to instruments that have not been removed from the balance sheet as at 1 January 2018 have not been adjusted.

The Group's management assessed the existing financial assets and liabilities of the Group on 1 January 2018 based on the facts and circumstances that existed at that date, and concluded that the initial application of IFRS 9 has the following impact on the financial assets of the Group with regard to their classification and measurement:

- The financial assets classified in the "Loans and receivables" category under IAS 39, such as long-term receivables, trade receivables, short-term receivables, cash and cash equivalents are classified and valued at amortised cost under IFRS 9;

- The financial assets (unlisted equity investments) that are classified in the "Available-for-sale investments" category, such as other financial assets (shares) under IAS 39, are identified as being valued at fair value via the profit and loss account. Management has determined that the cost price is a correct estimate of the fair value for the unlisted equity investments of the fully consolidated companies because there is insufficient more recent information available to measure the fair value.

With regard to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred loss model under IAS 39. The effect of expected credit losses was intangible.
Classification and valuation of financial liabilities of the Group have not been changed by the 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 retroactive application or a modified retroactive application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

The Group applied IFRS 15 according to the fully retroactive method.

IFRS 15 uses the terms 'contract assets' and 'contract liabilities', but the standard does not prohibit an entity from using alternative descriptions in the consolidated balance sheet. In the balance sheet, the Group has opted not to use the terminology used in IFRS 15, but these balances are described in the notes.

The Group's valuation rules for its income flows are described in detail below in these notes.

Apart from providing more extensive disclosure of the Group's revenue, the application of IFRS 15 has not had a significant impact on the Group's financial position and/or financial performance.

The application of the other IFRS standards starting in 2018 had no significant impact on the consolidated financial statements of the Group.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2018:
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation* (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 16 *Leases* (applicable for annual periods beginning on or after 1 January 2019)
- IFRIC 23 *Uncertainty over Income Tax Treatments* (applicable for annual periods beginning on or after 1 January 2019)
- Amendments to 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 to IFRS Standards 2015-2017 Cycle (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)
- Amendments to IAS 1 and IAS 8 *Definition of Material* (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Amendments to IFRS 3 *Business Combinations* (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Amendments to references to the Conceptual Framework in IFRS standards (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)

- IFRS 17 *Insurance Contracts* (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU)
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)

IFRS 16 Leases

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

Lessees and 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 retroactive or a modified retroactive approach. The standard's transition provisions permit certain reliefs.

The Group will apply the standard from the mandatory effective date of 1 January 2019.

The Group intends to apply the simplified transition method and not to adjust the comparative information for the period prior to the first application. On the date of first application, a lease obligation is recognised for lease agreements that were previously classified as an operating lease in accordance with IAS 17, and an asset corresponding to a right of use is recognised. This lease obligation is valued at the present value of the remaining lease payments, discounted on the basis of the Group's marginal interest rate on the date of first application. The asset corresponding to the right of use is valued at an amount equal to the lease obligation (adjusted for any prepaid or payable lease expenses).

The Group has no commitments as a lessor.

At the reporting date, the Group had non-cancellable commitments under operating lease agreements of 5.8 million euros.

The Group has determined that the application of IFRS 16 on the balance sheet date to its non-cancellable commitments relating to operational lease agreements existing on 1 January 2019 will result in assets and liabilities for future payments of 4.7 million euros. Furthermore, the application of IFRS 16 with regard to these commitments will have an impact on EBITDA of +1.4 million euros, together with an impact on depreciation of – 1.3 million euros and on interest of – 0.1 million euros. The application of IFRS 16 to companies valued according to the equity method has no material effect on the consolidated result.

The agreements for which the asset has a low value and short-term leases are not included in the calculation of these impacts.

For the other amended and new standards, the Group does not expect that the first application will have a significant effect on its financial statements. The group does not intend to apply these amended and new standards early.

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	according to their expected useful life
• Brands (from 2018)	40/20/10/5 years (See Main sources of estimating uncertainties)

Before June 2018, by virtue of IAS 38.107, most titles were considered as assets with indefinite useful lives which were not amortised but tested yearly for impairment. Other intangible assets with indefinite useful lives were also not amortised but subject to an annual impairment test.

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
» 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

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

Financial assets are recorded when the Group becomes party to the contractual provisions of the instrument.

Financial assets are no longer recognised if the contractual rights to the cash flows of the financial asset expire or if the Group transfers the financial asset and its risks and benefits.

Classification and initial valuation of financial assets

When first recognised, a financial asset is classified in one of the three valuation categories:
(a) Financial assets valued at amortised cost
(b) Financial assets valued at fair value with value adjustments recognised in the other components of the total result
(c) Financial assets valued at fair value with value adjustments recognised in the profit and loss account

Financial assets are initially valued at fair value, except for trade receivables that do not have a significant financing component. These are initially recognised at their transaction price. The transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition, with the exception of the category of financial assets valued at fair value with changes in value recognised in the profit and loss account, where the transaction costs are recognised directly in the profit and loss account.

Valuation of financial assets after initial recognition

Financial assets valued at amortised cost

Financial assets are valued at amortised cost if they meet the following conditions (and are not designated as valued at fair value with value changes recognised in the profit and loss account):
- The financial asset is held within a business model designed to hold financial assets to receive contractual cash flows, and
- The contract terms of the financial asset give rise to cash flows on certain dates that only concern repayments and interest payments on the outstanding principal amount.

After the initial valuation, they are valued at amortised cost using the effective interest method. When the effect of discounting is immaterial, no discount is made. The Group's long-term receivables, trade receivables, short-term receivables, cash and cash equivalents are classified and valued at amortised cost.

Financial assets valued at fair value with value adjustments recognised in the other components of the total result
The Group values financial assets at fair value with recognition of changes in value in the other parts of the total result when the following conditions are met:

- The financial asset is held within a business model whose purpose is achieved by both receiving contractual cash flows and selling financial assets; and,
- The contract terms of the financial asset give rise to cash flows on certain dates that only concern repayments and interest payments on the outstanding principal amount.

A gain or loss arising from a change in the fair value of the financial asset is recognised in the other components of the total result and accumulated in the revaluation reserve. Only dividends are recognised in the profit and loss account. The amounts presented in the other components of the total result may not later be transferred to profit or loss. However, the entity may reclassify the cumulative gain or loss within equity.

There are no financial assets valued at fair value with value adjustments recognised in the other components of the Group's total result.

Financial assets valued at fair value with value adjustments recognised in the profit and loss account
Financial assets held in a business model other than "to receive contractual cash flows" or "to receive contractual cash flows or to sell financial assets" are categorised as valued at fair value through profit and loss. Upon initial recognition, the Group may make the irrevocable choice to present in the other components of the total result subsequent changes in the fair value of an investment in an equity instrument that falls within the scope of IFRS 9 that is not held for trading, if it is also not a contingent consideration of an acquiring party at a business combination to which IFRS 3 applies.
The Group also has the option of valuing a financial asset that is normally valued at amortised cost or at fair value through the recognition of changes in value in the other components of the total result, at fair value through recognition of changes in value in the profit and loss account if as a result, an inconsistency in valuation or recognition (an accounting mismatch) is eliminated or reduced.

A gain or loss arising from a change in the fair value of the financial asset is recognised in the profit and loss account.

The financial assets (unlisted equity investments) that are classified under the item "Other investments" are identified as being valued at fair value through the profit and loss account.

In the comparative period, under IAS 39, these equity investments were valued at cost less any impairment losses, since the fair value could not be reliably estimated. Management can also determine under IFRS 9 that the cost price is a correct estimate of the fair value for these unlisted equity investments of the fully consolidated companies if insufficient recent information is available to measure the fair value or if there is a wide range of possible valuations at fair value and the cost price represents the best estimate of the fair value within that range.

However, the Group must use all information about the performance and activities of the participation that becomes available after the date of initial recognition. If such relevant factors exist and it appears that the cost may not be representative of the fair value, the Group must determine the fair value.

Available-for-sale financial assets under IAS 39 (comparative periods)
All financial fixed assets available for sale are initially recognised at fair value plus the acquisition costs of these investments. Changes in value are recognised in equity as a revaluation reserve until the financial asset is sold, or until there are indications that a financial asset is subject to an impairment loss. Investments in shares classified as 'available for sale' for which there is no price quotation in an active market and whose fair value cannot be reliably determined by other valuation methods, are valued at cost price.

Impairment of financial assets
The Group determines the value of the provision for losses (impairment) on each reporting date. It recognises this impairment for credit losses to be expected during the term of all financial instruments for which the credit risk – whether on an individual

or collective basis – has increased significantly since initial recognition, taking into account all reasonable and substantiated information, including forward-looking information.

Specifically, the following assets are included in the assessment of the Group's impairment: Trade receivables; Accounts receivable (fixed and current); Cash and cash equivalents.

For trade receivables that do not contain a significant financing component (i.e. virtually all trade receivables), IFRS 9 provides a simplified method for measuring loss compensation at an amount equal to the expected credit losses. For more detail about this: see below, under "Trade and other receivables".

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.

For trade receivables that do not contain a significant financing component (i.e. almost all trade receivables), the provision for losses is valued at an amount equal to the expected credit losses during the term. These are the expected credit losses that arise from all possible defaults during the expected lifetime of these trade receivables, based on a provision matrix that takes into account historical information about payment defaults adjusted for future-oriented information per customer. The Group considers a financial asset in default when the receivables have been due for more than 120 days or have been included in a collection procedure. Nevertheless, the Group also considers a financial asset to be in default when internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full, before taking into account any credit protection held by the Group.

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 IFRS 9 Financial instruments 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.

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.

According to this method, the Group must recognise deferred taxes in a business combination resulting from 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

The Group applies the five-step model for the recognition of revenue arising from contracts with customers. Revenue is recognised for the amount of compensation to which the Group expects to be entitled in exchange for the transfer of goods or services to a customer.

The most important activities from which Roularta Media Group generates its revenue are described below, per segment. There are two operational segments within the Group: 'Media Brands' and 'Printing Services'.

Within the 'Media Brands' segment (the brands operated by RMG and its participations), revenue is primarily generated from magazines, free press, newspapers, TV, events and website services. The typical term of customer contracts is twelve months or less. The revenue mainly consists of subscription income, income from newsstand sales, advertising income and income from line extensions of the brands.

The recognition of revenue generally coincides with the transfer of the delivered goods. For subscriptions, an amount is received either at the start or periodically for the period in which the magazines are delivered. Magazine revenue is spread over time and allocated to the correct period, i.e. at the issue date of the issues. For prepayments of, for example, a subscription, a "contract liability" is recognised until the end of the subscription. Revenue from newsstand sales are recognised according to the issue date of the issue. Recognition of advertising revenue occurs when the advertising appears.

In addition, there is the 'Printing Services' segment, which includes the pre-press and printing activities for in-house brands and external customers. Pre-press activities refer to the work of compiling the magazines before they roll off the printing presses. The recognition of pre-press or printed matter revenue coincides with the delivery of the service/goods, i.e. when the finished pre-press service or the printed matter is delivered.

Revenue from exchange agreements concern transactions between two parties in which non-equal services and goods are sold to each other. These transactions are valued on the basis of the current market price, taking into account the applicable discounts that also apply to similar transactions that do not constitute an exchange.

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.

Up to and including 30 June 2018, each cash-generating unit represented an identifiable group of assets with the same risk profile, generating cash inflows and which is largely independent of cash inflows from other groups of assets. The following cash-generating units have been defined: News Belgium (*Knack*, *Le Vif/L'Express*, *Krant van West-Vlaanderen*,...), Lifestyle Belgium (*Nest*, *Plus Belgium*, *Bodytalk*, ...), 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*), Entertainment België.

From 30 June 2018 (see Note 15), each brand is considered a separate cash-generating unit. The following brands still have a value on 31/12/2018: *Libelle/Femmes d'Aujourd'hui*, *Feeling/GAEL*, *Flair*, *La Maison Victor*, *Shedeals*, *Zappy Ouders*, *Communiekrant*, *Le Vif/L'Express*, *Fiscaal-juridisch*, *Top Publications*, *STERCK.* and *Landleven*. In addition, there are a number of brands that have no value, either through their own creation or through impairment. This concerns among others *Knack*, *Knack Weekend*, *Knack Focus*, *Le Vif Weekend*, *Focus Vif*, *Sport/Voetbalmagazine*, *Sport/Foot Magazine*, *Trends*, *Trends-Tendances*, *Trends Style*, *Nest*, *Télépro*, *Plus Magazine*, *Deze Week*, *De Zondag*, *Steps*, *Krant van West-Vlaanderen*, *De Weekbode*, *De Zeewacht*, *Media Club*, *Vlan.be*, *Kanaal Z/Canal Z*, ...

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.

Main sources of estimating uncertainties:

Change in the useful life of the brands

Through 30 June 2018, most individual brands had an unlimited useful life (carrying amount 31/12/2017: € 70,339 K). Taking into account the expected future evolution of the market, RMG determined on 30 June 2018 that maintaining the unlimited useful life for individual brands is no longer tenable. Indeed, it would no longer accurately reflect the expected useful life of these brands. At the end of the first half of 2018, the Board of Directors and management of Roularta Media Group decided that, as a result of the track record of the brands and the media sector which is under pressure, a change in the estimate of the useful life of all RMG brands was necessary. Consequently, the useful life of all brands with an indefinite useful life has been converted to a specific useful life and therefore depreciation must be booked per brand.

The subdivision of useful life below provides the reasoning and guiding principle, but management carried out an individual assessment for each determination of useful life. The useful life is estimated by management based on insights and realities in the media sector. Four groups are displayed for the initial determination of the useful life.

- A 40-year economic useful life is for "super" brands that already have very strong name recognition and are still growing in terms of revenue and/or EBITDA and have a carrying amount that is less than 10 times EBITDA. These brands are also recognised outside the media sector (alongside other major brands).

- A 20-year economic useful life is for brands that already have name recognition and can still grow in terms of revenue and/or EBITDA and have a carrying amount that is less than 10 times EBITDA. These brands are also recognised outside the sector (alongside other major brands).
- A 10-year economic useful life is for mature brands whose revenue/EBITDA is stable or slightly decreasing over the last 5 years but with a carrying amount greater than € 1 million. These are brands with relatively significant name and value recognition in the sector in which they operate.
- A 5-year economic useful life is for young (a few years old) or small brands, which still have much to prove but with potential and a limited carrying amount (< € 1 million). The useful life here is limited but such a brand can be built in the coming years.

As a result of the change in the useful life, following the recognition of the impairment losses on these brands, € 1,825 K was written off for Roularta Media Group NV and subsidiaries in the second half of 2018 and € 2.1 M for the joint ventures (100%). The expected depreciation on these brands in 2019 amounts to € 3.6 M for Roularta Media Group NV and subsidiaries (100%) and € 4.3 M for joint ventures (100%), with an impact on the consolidated EBITDA of Roularta Media Group of € 2.1 M (50%).

Evaluating and estimating the useful life of the brands requires significant estimates from management among others at the following levels:

- Categorisation of a brand into "super" brands, "growth" brands, "mature" brands and "young" and "small" brands;
- The expected evolution of the sector;
- The expected performance of a brand within this market.

If the remaining useful life of "De Tijd/L'Echo" was reduced from 39.2 years as a "super" brand to 20 or 10 years respectively, the additional annual depreciation charge would be € 2.0 M or € 6.0 M respectively. The share in the profit of the Mediafin joint venture would then fall by € 1.0 M or € 3.0 M respectively.

If the remaining useful life of the customer relationships within Mediafin of 19.2 years were reduced to 10 years, the additional annual depreciation charge would be € 1.4 M. If the remaining useful life were reduced to 5 years, the additional annual depreciation charge would amount to € 4.2 M. The share in the profit of the Mediafin joint venture would then fall by € 0.7 M or € 2.1 M respectively.

If the remaining useful life of 19.5 years for the "*Libelle/Femmes D'Aujourd'hui*" brand, which represented approximately 50% of the total carrying amount of the brands at 31 December 2018, were reduced to 10 years, the impact would be € 1.3 M annual depreciation. If the remaining useful life were reduced to 5 years, the additional annual depreciation charge would amount to € 3.8 M.

If the remaining useful life of 18.5 years for the "STERCK." brand were reduced to 10 years, the impact would be an additional € 0.2 M annual depreciation charge. If the remaining useful life were reduced to 5 years, the additional annual depreciation charge would amount to € 0.6 M.

If the remaining useful life of 18.8 years for the "*Landleven*" brand were reduced to 10 years, the impact would be an additional € 0.4 M annual depreciation charge. If the remaining useful life were reduced to 5 years, the additional annual depreciation charge would amount to € 1.2 M.

The above analyses were made on all brands that had a net carrying amount that exceeded € 4 M at year end.

Furthermore, we would like to point out that the useful life, also until the end of 2017, and in particular for media titles with indefinite useful lives, was an important source of estimation uncertainty. However, due to the earlier vision and portfolio approach where different brands were placed under one cash-generating unit, the useful life was insufficiently recognised as an important source of estimation uncertainty and was therefore not stated as such.

Impairment losses on non-financial assets:
Testing whether there are impairment losses on intangible assets and goodwill requires making significant estimates of among others the following parameters: discount rate, growth rate of advertising income, growth rate of the number of subscribers, newsstand sales and subscription prices, evolution of printing and paper costs, and indirect costs. In conducting the impairment test, management uses the history of these parameters and the expectation of how these parameters will evolve in the period from 2019 to 2023 as they were known at the time of the test. In addition, management makes an estimate of the growth rate after 2023.
A possible change in one or more parameters can lead to a significant change in the realisable value. We refer to Note 15 where the results of the tests carried out for impairment losses and the associated details and sensitivities are explained.

Deferred taxes:
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 regard to customers:
Management monitors the outstanding trade receivables, taking into account the collection backlog (ageing), payment history and the cover by credit insurance (see Note 19).

Provision for employee benefits:
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

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.

In 2018, the segments were redefined in the context of the sale of Medialaan. After the sale of Medialaan, the Audiovisual Media segment was too small compared to Printed Media. Therefore, from 2018, the internal financial reporting of Roularta Media Group is based on two new segments: 'Media Brands' and 'Printing Services'. The 'Media Brands' segment refers to all brands that are marketed by RMG and its participations. It includes all sales of advertising, subscriptions, newsstand sales and line extensions of the brands. 'Printing Services' on the other hand refers to pre-press and printing activities for in-house brands and external customers. Pre-press activities refer to the work of compiling the magazines before they roll off the printing presses.

Furthermore, unlike in previous years, only consolidated figures are being published. The combined version, in which the joint ventures were presented via the proportional consolidation method, is therefore a thing of the past. From now on, the result of the joint ventures is only shown under 'share in the result of affiliates and joint ventures' in the income statement and under 'participations valued according to the equity method' on the balance sheet. Furthermore, from now in the segment reporting everything will be published up to the gross margin. After all, there is a strong interrelation between the two new segments, and supporting services are extensively shared. A change in the allocation of these costs means a significant fluctuation in EBITDA, such that reporting may not be consistent.

The valuation rules of the business segments are the same as the valuation rules of the Group as described in Note 1.

Intersegment pricing is determined on an arm's length basis.
Total assets and total liabilities per segment are not checked internally by management and therefore are not explained in the notes in accordance with IFRS 8.23. The breakdown of certain balance sheet items, i.e. trade receivables, tangible and intangible fixed assets and inventories, is still shown. Furthermore, in accordance with IFRS 8.32, the revenue from external customers was broken down by revenue type. However, the information required for this breakdown is not available for the new segments.

2018 in thousands of euros	Media Brands	Printing Services	Inter segment elimination	Consolidated total
Sales of the segment	**241,570**	**78,180**	**-42,742**	**277,008**
Sales to external customers	239,999	37,008		277,008
Sales from transactions with other segments	1,571	41,172	-42,742	
Gross margin (*)	**179,269**	**40,286**	**-2,870**	**216,685**
Not allocated result (**)				-287,307
Operating result after net finance costs				**-70,622**
Assets				
Intangible assets	57,790	6		57,796
Property, plant and equipment	23,107	30,971		54,078
Investments accounted for using the equity method	63,686			63,686
Inventories	273	6,075		6,348
Trade receivables and other receivables, current				
- Trade receivables, gross	55,028	7,720		62,748
- Not allocated trade receivables and other receivables				3,008
Not allocated non-current assets				8,548
Not allocated current assets				98,896
Total assets				**355,108**

2017 in thousands of euros	Media Brands	Printing Services	Inter segment elimination	Consolidated total
Sales of the segment	**221,436**	**78,343**	**-43,011**	**256,768**
Sales to external customers	219,831	36,937		256,768
Sales from transactions with other segments	1,605	41,406	-43,011	
Gross margin	**157,778**	**42,246**	**-2,741**	**197,283**
Not allocated result (**)				-195,356
Operating result after net finance costs				**1,927**
Assets				
Intangible assets	91,265	15		91,280
Property, plant and equipment	25,014	30,413		55,427
Investments accounted for using the equity method	10,285			10,285
Inventories	391	5,157		5,548
Trade receivables and other receivables, current				
- Trade receivables, gross	49,555	3,513		53,068
- Not allocated trade receivables and other receivables				16,847
Not allocated non-current assets				9,267
Not allocated current assets				46,383
Not allocated assets held for sale				129,003
Total assets				**417,108**

(*) Gross margin is revenue plus the fixed assets produced, less merchandise, raw materials and consumables.
(**) services and other goods, personel charges, other operating income/expenses, share in the result of associated companies and joint ventures, depreciations, impairments losses and provisions, financial income and expenses

II. Geographical information

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

2018 - from continuing operations	in thousands of euros	Belgium	The Netherlands	Consolidated total
Sales of the segment		269,007	8,001	277,008
Non-current assets (*)		103,854	8,020	111,874
2017 - from continuing operations	**in thousands of euros**	**Belgium**	**The Netherlands**	**Consolidated total**
Sales of the segment		254,492	2,276	256,768
Non-current assets (*)		138,051	8,655	146,706

(*) 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	2018	2017	Trend
Advertising		129,176	134,681	-5,505
Subscriptions and sales		83,924	59,438	24,486
Printing for third parties		40,909	40,856	53
Line extensions & other services and goods		22,999	21,793	1,206
Total sales		**277,008**	**256,768**	**20,240**

Printing for third parties is higher than the revenue from the Printing Services segment, since commercial printing is also sold by Media Brands.

The Group's revenue broken down according to the different categories of business activities consists of:

Sales	in thousands of euros	2018	2017	Trend
Local Media Brands		74,862	83,108	-8,246
Magazines Brands		143,026	112,642	30,384
Printing for third parties and sale paper		40,934	41,494	-560
Newspaper Brands		12,391	13,096	-705
Audiovisual Brands		5,795	6,428	-633
Total sales		**277,008**	**256,768**	**20,240**

Bartering contracts included in sales amount to € 17,508 K (2017: € 13,465 K).

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	2018	2017	Trend
Advertising		119,240	133,560	-14,320
Subscriptions and sales		58,225	59,240	-1,015
Printing for third parties		40,907	40,830	77
Line extensions & other services and goods		19,642	21,753	-2,111
Adjusted sales		**238,014**	**255,383**	**-17,369**
Changes in the consolidation scope		38,994	1,385	37,609
Total sales		**277,008**	**256,768**	**20,240**

Consolidated sales for 2018 enjoyed an increase of 7.9%, from € 256.8 to € 277.0 M. The acquisitions in 2018 (Women Brands, recognised in consolidated revenue from July 2018) and 2017 (Landleven, from October 2017 and STERCK, from July 2017) provide a positive contribution of € 39 M to revenue. The 2017 revenue was adjusted with the revenue of the second half for the company Zeeuws Vlaams Mediabedrijf and for the titles "Ik ga Bouwen & Renoveren/Je vais Construire & Rénover", given the sale of this company/these activities around 30 June 2018. The decline in advertising revenues at Local Media (-14.0%) and the newspapers (-9.5%) was partly offset by the growth in advertising revenues for the internet (+6.0%) and the magazines (+9.8%). The increase in advertising revenues from magazines of 9.8% consists of an 18.6% increase in the Women Brands and an 8.8% decrease in News Brands. In addition, the Women Brands and Landleven are having a positive effect on the readership market: revenue from newsstand sales and subscriptions increased by 41.2%.

II. Effect IFRS 15

IFRS 15 *Revenue from contracts with customers* will be applicable for financial years starting in 2018.
The application of IFRS 15 did not have a material impact on the financial position and/or the results of the Group: only the notes are more extensive. This is explained below.
The valuation rules of the Group with regard to revenue can be found in Note 1.
The breakdown of revenue can be found above in Note 3.1.
The contract assets arising from IFRS 15 (see below) are also recognised in the consolidated balance sheet as "trade receivables and other receivables".

The contract balances arising from contracts with customers concern:

	Note	2018	2017	Trend
Receivables				
Trade receivables, gross	19	62,748	53,068	9,680
Impairment of doubtful receivables, current (-)	19	-3,554	-4,628	1,074
Contract assets				
To invoice	19	3,518	3,090	428
Accrued income		0	342	-342
Contract liabilities				
Advances received	29	25,138	18,709	6,429
Credit notes to be drawn up	29	2,691	2,228	463
Customer credit balances	29	932	1,223	-291
Deferred income	29	6,545	6,129	416
Obligations related to returns, refunds and other similar obligations				
Credit notes to be drawn up: provision for unsold issues	29	4,384	2,622	1,762

Roularta Media Group has no contract costs, i.e. no costs that are specifically linked to only a single customer/contract.

Obligations related to returns, refunds and other similar obligations:
With regard to newsstand sales around the balance sheet date: a provision for the unsold issues is booked for this under the credit notes to be drawn up. This is based on data regarding the historical returns.

The contract assets mainly relate to performance obligations that have been fulfilled, but for which no invoicing has yet taken place. Upon invoicing, these contract assets are transferred to receivables and therefore unconditionally. The contract liabilities mainly relate to advances received from customers with regard to subscriptions, the proceeds of which are recognised at the time of fulfilment of the performance obligation.

Contract assets and liabilities relate to customer contracts that are generally settled within twelve months after the contract commences.

Information about trade receivables is further explained in Note 19 'Trade and other receivables'.

Trade receivables increased, in line with the increase in revenue from newsstand sales. Contract liabilities, which mainly consist of the prepayments received, show a real increase due to the increase in revenue from subscriptions.

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	2018	2017
Transport and distribution costs	-18,771	-17,618
Marketing and promotion costs	-24,230	-22,167
Commission fees	-6,093	-4,920
Fees	-33,644	-27,405
Rent (operating lease) and rental expenditures	-10,480	-11,390
Energy	-2,078	-2,100
Subcontractors and other deliveries	-10,832	-11,382
Remuneration members of the board of directors	-429	-429
Temporary workers	-3,269	-2,590
Travel and reception costs	-1,473	-1,041
Insurances	-473	-421
Other services and other goods	-504	-593
Total services and other goods	**-112,276**	**-102,056**

Commission fees consist of commissions invoiced by third parties (commissions on publicity, newsstand sales and subscription). 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 increased with € 10,220K or 10.0% compared to last year.

The largest increase under services and other goods can be found in the fees. This increase is mainly due to the Women Brands: these magazines, which have been part of the Group since 1 July 2018, result in a € 4.8 M increase in editor fees and photo fees. In addition, the new acquisitions from 2017, STERCK and Landleven, which were part of the group for a full year in 2018, also resulted in a € 1.1 M increase in fees. The increase in transport and distribution costs, marketing and advertising costs and commissions can also mainly be explained by the new Women Brands magazines.

NOTE 5 - PERSONNEL CHARGES - FROM CONTINUING OPERATIONS

in thousands of euros	2018	2017
Wages and salaries	-65,597	-64,181
Social security contributions	-21,826	-21,556
Share-based payments	-102	-125
Post employment benefit charges	-3,203	-3,084
Other personnel charges	-3,794	-3,806
Total personnel charges	**-94,522**	**-92,752**

Post employment benefit charges in 2018 consist mainly of expenses related to the defined contribution plans of € 3,102K (2017: € 2,898K).
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	2018	2017
Average number of staff	1,292	1,312
Total employment at the end of the period	1,287	1,276

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

in thousands of euros	2018	2017
Write-down of inventories	-470	-384
Reversal of write-down of inventories	384	321
Write-down of trade receivables	-3,580	-4,550
Reversal of write-down of trade receivables	4,554	4,121
Total write-down of inventories and receivables	**888**	**-492**

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 2018, the net write-down of inventories amounts to € 86K (2017: € 63K) and the net reversal of write-down of trade receivables amounts to € 974K (2017: € 429 K).
The net reversal of the impairment in 2018 is mainly due to the reversal of an impairment loss for a customer of € 1 M, which was definitively booked as a loss in 2018 (see Note 7).

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

in thousands of euros	2018	2017
Government grants	2,195	2,016
Gains on disposal of intangible assets and property, plant and equipment	829	157
Gains on (partial) disposal of subsidiaries or joint ventures	364	116
Exchange differences	1	24
Miscellaneous financial income and cash discounts	849	833
Miscellaneous cross-charges	379	415
Dividends	3	3
Gain on disposal of other receivables	0	210
Miscellaneous income	204	179
Total other operating income	**4,824**	**3,953**
Other taxes	-2,875	-2,440
Losses on disposal of intangible assets and property, plant and equipment	-57	-16
Losses on trade receivables	-1,526	-167
(Reversal of) less values / (less values) on other current receivables	8	-284
Exchange differences	-4	-4
Payment differences and bank charges	-359	-498
Miscellaneous expenses	-1,731	-2,013
Total other operating expenses	**-6,544**	**-5,422**

Other operating income primarily relates to government grants received by Roularta Media Group. In 2018, the capital gains from the realisation of (in)tangible fixed assets include the sale of *'Ik ga Bouwen & Renoveren'*.

The increase in other operating expenses mainly comes from the loss on trade receivables. There is a one-off impact of € 1.0 M for a 2011 bankruptcy, which was foreseen years ago and is now being cancelled under write-down of trade receivables (see Note 6). This bankruptcy is therefore neutral with respect to the profit and loss account.

NOTE 8 - IMPAIRMENT LOSSES AND OTHER NON-RECURRING RESULTS - FROM CONTINUING OPERATIONS

in thousands of euros	2018	2017
Impairment losses Roularta Media Group	-63,204	-3,085
Impairment losses Joint Ventures	-5,971	0
Deferred taxes Joint Ventures	1,278	0
Total other non-recurring results	**-67,897**	**-3,085**

In June 2018, the cash generating units of Roularta were redefined due to the sale of Medialaan. As a result of this change, additional impairment losses of € 69.2 M have been booked to the € 198 M net carrying amount of intangible fixed assets as at 30/06/2018 (€ 80.5 M of which is recognised in the balance sheet under joint ventures). Of this, € 63.2 M comes from Roularta Media Group NV and subsidiaries (below EBITDA) and € 6.0 M from joint ventures (taking into account the reversal of deferred taxes on temporary differences due to these impairment losses, the impact on EBITDA is € 4.7 M).

There were no significant one-off results in 2017. In 2017, the title 'Free Press andere landen' was written down for € 2.1 M. In addition, the title 'Ondernemen' was written down for € 0.6 M and the titles 'Grafisch Nieuws', 'Technisch management', 'Bodytalk' and 'Roularta.com', were written down together for € 0.4 M respectively.

NOTE 9 - NET FINANCE COSTS - FROM CONTINUING OPERATIONS

in thousands of euros	2018	2017
Interest income	268	883
Financial income	**268**	**883**
Interest expense	-5,343	-5,741
Financial costs	**-5,343**	**-5,741**
Total net finance costs	**-5,075**	**-4,858**

The decrease in interest revenue is largely due to the payment of the Altice receivable. The last € 15 M was repaid in April 2018.
Interest expenses decreased as a result of lower outstanding bank debts. In 2018 there was a one-off cancellation interest fee for cancelling the credit lines.

NOTE 10 - INCOME TAXES - FROM CONTINUING OPERATIONS

I. Income taxes - current and deferred

in thousands of euros	2018	2017
A. Income taxes - current		
Current period tax expense	-638	-234
Total current income taxes	**-638**	**-234**
B. Income taxes - deferred		
Related to the origination and reversal of temporary differences	16,649	5,485
Related to changes in tax rates	-2,503	-4,719
Related to the reversal of depreciation (+) or depreciation (-) of deferred tax assets	-15,047	-15,109
Total deferred income taxes	**-901**	**-14,343**
Total current and deferred income taxes	**-1,539**	**-14,577**

II. Reconciliation of statutory tax to effective tax

in thousands of euros	2018	2017
Result before taxes	-70,622	-16,893
Share in the result of associated companies and joint ventures	-1,831	921
Result before taxes, excluding share in result of associated companies and joint ventures	-68,791	-17,814
Statutory tax rate	29.58%	33.99%
Tax using statutory rate	**20,348**	**6,055**
Adjustments to tax of prior periods (+/-)	1	84
Tax effect of non-tax deductible expenses (-)	-834	-1,044
Tax effect of non-taxable revenues (+)		156
Tax credit resulting from investment and notional interest deduction	-221	
Tax effect of not recognising deferred taxes on losses of the current period (-)	-790	-3,782
Tax effect from the reversal (utilisation) of deferred tax assets from previous years	-17,079	-10,591
Tax effect of recognising deferred taxes on tax losses of previous periods	401	0
Tax effect of change in statutory tax rates	-2,503	-4,719
Tax effect of different tax rates of subsidiaries in other jurisdictions	27	-186
Other increase / decrease in tax charge (+/-)	-887	-550
Tax using effective rate	**-1,539**	**-14,577**
Result before taxes	-70,622	-16,893
Share in the result of associated companies and joint ventures	-1,831	921
Result before taxes, excluding share in result of associated companies and joint ventures	-68,791	-17,814
Effective tax rate	-2.24%	-81.83%
Total effective tax	**-1,539**	**-14,577**

The impact of changes in tax rates in 2018 includes for the most part the impact of the Belgian corporate tax rate of 29.58% on the impairment losses in 2018, while the deferred tax was booked at 25%, the tax rate applicable in coming years.
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%.

The impact of reversed/applied deferred taxes on previous financial years is mainly due to the realisation of temporary differences due to the impairment losses on the brands in 2018. In 2017 this mainly concerns a reversal of deferred tax assets on tax losses.

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**	**2018**	**2017**
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**	**2018**	**2017**
Cash flow hedge gains / losses		-16	16
Non-current employee benefits - actuarial gain / loss		-721	306
Other			6
		-737	**328**

NOTE 11 - DISCONTINUED OPERATIONS

The sale of 50% in Medialaan was completed in January 2018. As a result, the full result of Medialaan, € 0.8 M in 2018 and € 18.5 M in 2017, is stated under 'result from discontinued business activities'. Medialaan was previously recognised in the consolidation via the equity method, since it concerned a joint venture.

Result for the period from discontinued operations	**in thousands of euros**	**2018**	**2017**
Sales		17,346	174,557
Other gains		205	641
		17,551	**175,198**
Expenses		-16,402	-151,070
Operating result after net finance costs		**1,149**	**24,128**
Attributable income tax expense (-) (income)		-364	-5,618
		785	**18,510**
Result of Medialaan sale		150,308	
Net result from discontinued operations		**151,093**	**18,510**

The table below shows the result on the 50% sale in Medialaan

	in thousands of euros	**2018**
Assets available for sale as included in the 31/12/2017 balance sheet		128,541
Share of the Group in the net result of January 2018		785
Total net carrying amount of the participation in Medialaan		**129,326**
Acquisition price obtained (including interest income)		279,634
Capital gain on sale		**150,308**

NOTE 12 - ASSETS CLASSIFIED AS HELD FOR SALE

No assets were held for sale in 2018. As stated in Note 11 'Discontinued operations', the Group intended to sell Medialaan in early 2018. As a result, all assets and liabilities associated with these activities were reclassified to 'assets held for sale' and 'liabilities associated with assets held for sale' as at 31 December 2017. The sale was completed at the end of January 2018. In addition to Medialaan, the title 'Ik ga Bouwen & Renoveren' was also held for sale, given the planned sale to Sanoma.

Assets and liabilities held for sale	**in thousands of euros**	**2018**	**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

	2018	**2017**
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	598,435	603,635
Shares reserved for issue under options	486,235	491,435
III. Earnings per share calculation		
1. Number of shares		
1.1. Weighted average number of shares, basic	12,541,645	12,534,766
1.2. Adjustments to computed weighted average number of shares, diluted	55,736	74,743
Stock option plans	*55,736*	*74,743*
1.3. Weighted average number of shares, diluted	12,597,381	12,609,509

2. Calculation

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

$$\frac{\text{Net result available to common shareholders}}{\text{Weighted average number of shares, basic}} = \frac{79{,}942\text{ K€}}{12{,}541{,}645} = 6.37$$

$$\frac{\text{Net result available to common shareholders}}{\text{Weighted average number of shares, diluted}} = \frac{79{,}942\text{ K€}}{12{,}597{,}381} = 6.35$$

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

$$\frac{\text{Net result from continuing operations available to common shareholders}}{\text{Weighted average number of shares, basic}} = \frac{-71{,}151\text{ K€}}{12{,}541{,}645} = -5.67$$

$$\frac{\text{Net result from continuing operations available to common shareholders}}{\text{Weighted average number of shares, diluted}} = \frac{-71{,}151\text{ K€}}{12{,}597{,}381} = -5.65$$

NOTE 14 - DIVIDENDS

	2018	2017
Amount of dividends proposed or declared after the balance sheet date but before authorisation of the financial statements, in thousands of euros	6,272	0
Interim dividend in thousands of euros	62,713	
Gross dividend per share in €	5.50	0
Number of shares entitled to dividend on 31/12	13,141,123	13,141,123
Number of own shares on 31/12	-598,435	-603,635
Mutation of own shares 2018 (before General Meeting)	1,500	2,400
	12,544,188	**12,539,888**

NOTE 15 - INTANGIBLE ASSETS AND GOODWILL

2018 in thousands of euros	Brands	Titles	Software	Concessions, property rights and similar rights	Total intangible assets	Goodwill
AT COST						
Balance at the end of the preceding period	**0**	**90,063**	**30,872**	**21,677**	**142,612**	**997**
Movements during the period:						
- Acquisitions			2,725	33	2,758	
- Acquisitions through business combinations and sector acquisitions	32,942				32,942	
- Sales and disposals (-)	-7,258		-1,341	-1,780	-10,379	
- Disposals through business divestiture (-)	-2,083		-23		-2,106	
- Transfers from one heading to another	94,866	-90,063	15	-4,803	15	
At the end of the period	**118,467**	**0**	**32,248**	**15,127**	**165,842**	**997**
DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at the end of the preceding period	**0**	**15,809**	**25,392**	**10,131**	**51,332**	**997**
Movements during the period:						
- Depreciation	1,825	930	2,730	489	5,974	
- Impairment loss / reversal recognised in income	56,459			6,745	63,204	
- Written down after sales and disposals (-)	-7,258		-1,320	-1,780	-10,358	
- Disposals through business divestiture (-)	-2,083		-23		-2,106	
- Transfers from one heading to another	17,219	-16,739		-480	0	
At the end of the period	**66,162**	**0**	**26,779**	**15,105**	**108,046**	**997**
Net carrying amount at the end of the period	**52,305**	**0**	**5,469**	**22**	**57,796**	**0**

2017	in thousands of euros	Brands	Titles	Software	Concessions, property rights and similar rights	Total intangible assets	Goodwill
AT COST							
Balance at the end of the preceding period		**0**	**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		**0**	**90,063**	**30,872**	**21,677**	**142,612**	**997**
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at the end of the preceding period		**0**	**12,385**	**23,127**	**8,009**	**43,521**	**997**
Movements during the period:							
- Depreciation			1,451	2,836	1,472	5,759	
- Acquisitions through business combinations				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		**0**	**15,809**	**25,392**	**10,131**	**51,332**	**997**
Net carrying amount at the end of the period		**0**	**74,254**	**5,480**	**11,546**	**91,280**	**0**

Intangible assets consist of brands, software, concessions, property and similar rights.

Software, brands, concessions, property rights and similar rights were depreciated based on their expected useful life within the Group.

Until 30 June 2018, a number of brands had an indefinite useful life (carrying amount 31/12/2017: € 70,339 K). From 1 July 2018, the Board of Directors and management of Roularta Media Group decided to change the useful life to a specific useful life and to depreciate the brands from this date. We refer to Note 1 for more details on this.

Management also conducted a test for impairment losses on this date.

Change in cash-generating units

Up to and including 30 June 2018, for the purpose of the test for impairment losses, intangible assets with indefinite useful lives were allocated to a number of cash-generating units (CGU): Free Press Belgium, Business Belgium and News Belgium. Each CGU represented an identifiable group of assets with the same risk profile, which generated an inflow of cash and was largely independent of the inflow of cash from other groups of assets. This took into account the rapidly evolving market conditions in which various media channels and products strongly interfere with each other. Determination of the cash-generating units was based on the most important cash inflows.

Major changes were made to Roularta Media Group's strategy last year. The sale of Medialaan, an important joint venture of RMG, was concluded in early 2018. In addition, the focus shifted to magazines whose target groups entail a higher subscription and advertising value, in which context the acquisition of the Women Brands of Sanoma took place in June 2018.

The way brands are placed in the sector needs to be tackled more individually than a few years ago. What works for one brand does not always work for another brand. Each brand has its values, market positioning and target group. Whether a title is continued or not is examined at brand level. It is important that each brand within RMG can create value on its own. Each brand constitutes a brand in itself, with its own strategic positioning, its own target group, its own values, its own marketing and sales approach and will be managed individually to achieve the highest value per brand.

This new strategy and the change to the segments (see Note 2 – segment information) led to a redefining of the CGUs. Looking at different brands together as a large business unit or CGU was, in a highly evolved media sector, no longer appropriate due to the diversity of risk profiles, economic characteristics, method of cash inflow (e.g. percentage of advertising vs. subscription income) within these CGUs. Consequently, we concluded that testing for impairment losses must be done at the level of the brands, in other words, each brand is itself a CGU.

Test for impairment losses and impairment booked

On the occasion of this redefinition of the CGUs up to the level of the individual brands, a test for impairment losses was conducted for all brands on 30 June 2018. The Group calculated the realisable value of each brand, except for Le Vif/L'Express, based on its 'value in use'. It applied the discounted cash flow model for this. Determination of the value in use in this way falls under the third level of the fair value model. The future cash flows for determining value in use are based on business plans for a period of 5 years, which have been approved by the board of directors. These business plans are based on historical data and future market expectations.

In the end, the test led to the booking of an impairment loss of € 63,204 K (2017: € 3,085 K). The total remaining value of intangible fixed assets at the end of 2018 (incl. acquisitions) was € 57,796 K (2017: € 91,280 K), € 52,305 K of which is related to brands.

Management included the following basic assumptions in the business plans that formed the basis for testing the brands for impairment losses:

- The cash flow forecasts and the assumptions adopted below are based on strategic business plans that have been approved by management and the board of directors, and that are in line with the current operational structure and with expectations concerning long-term developments in the current media landscape.
- Among the basic assumptions, discount rate, growth rate of advertising income, growth rate of the number of subscribers, newsstand sales and subscription prices, evolution of printing and paper costs, and indirect costs are important.
- The assumptions concerning these parameters are based on the one hand on past experiences and on the other hand on estimates by operational and group management, related to the general economic market conditions and competitive environment of each brand, as well as to the impacts of continuous improvements in efficiency.
- The assumptions are tested against reality on a half-yearly basis. In this, the figures actually achieved are compared with forecasts made in the past. Where necessary, adjustments are made to the new business plans.
- The projected plans are a combination of revenue growth through price increases that reflect inflation and cost evolutions that also reflect inflation.
- Management is also assuming that there will be no significant decline in its readership market in the coming years.
- The significant paper costs will not change in the following years.

As assumptions, an increase of 1% per year is taken for the costs, with a one-off 4% decrease for printing costs in 2019 due to termination of the Econocom lease. From 2020, printing costs will increase again by 1% per year. Revenue will increase on average by 1% per year for advertising and by 2% every two years for subscriptions. These increases are all due to inflation.

Residual value is determined on the basis of a perpetuity formula based on a long-term growth rate of 0% (2017: 0%) which is no higher than the long-term average growth rate for the media industry. The future cash flows obtained were then discounted on the basis of a post-tax discount factor in June 2018 of 8.00% (2017: 7.67%). 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.

Since the local markets where Roularta Media Group is present exhibit a similar growth and risk profile, RMG management has judged that the same assumptions (growth rate and WACC) can be applied to all brands. In this, the long-term growth rate reflects expectations within the media world.

For the Le Vif/L'Express brand, the "fair value less selling costs" method was applied in June 2018, since this result was closer to reality. An EBTIDA multiple of 6 was used for this. This results in a realisable value for Le Vif/L'Express of € 1,800 K. The calculation based on its fair value less selling costs falls under the third level of the fair value model.

Based on the above exercise, the impairment losses were as follows:

- The realisable value of Le Vif/L'Express was € 1,800 K, which resulted in an impairment loss of € 38,700 K;
- A full impairment loss for a total of € 22,965 K on the brands Deze Week, Trends/Tendances, ICT-related brands, Go and Krant van West-Vlaanderen, which brings the carrying amount of these brands to € 0 K (realisable value).
- Other impairment losses on smaller brands for an amount of € 1,540 K.

The impairment losses all fall under the Media Brands segment.

The net carrying amount of the brands on 31 December 2018 and 31 December 2017, and their total useful life are shown in the table below. For more information about the applied useful life we refer to the valuation rules.

Cash-generating unit	in thousands of euros	Intangible asset 2018	Intangible asset 2017	Total useful life 2018 (in years)	Total useful life 2017 (in years)
Landleven		7,978	8,628	20	10
STERCK.		4,209	4,563	20	10
Top Publications		3,301	3,475	10	Indefinite
Fiscaal-juridisch		3,230	3,400	10	Indefinite
Le Vif/L'Express		1,710	40,500	10	Indefinite
Libelle/Femmes d'Aujourd'hui		25,838		20	
Flair		3,647		10	
Feeling/GAEL		1,108		10	
La Maison Victor		495		5	
Shedeals		269		5	
Zappy Ouders		121		5	
Communiekrant		399		5	
Total Brand value		**52,305**	**60,566**		

The difference between the net carrying amount of the brands at the end of 2017 of € 60,566 K from the above table and the net carrying amount of € 85,800 K from the table below concerns brands for which the carrying amount was reduced to zero during the impairment exercise on 30 June 2018.

in thousands of euros	Net book value intangible assets 31/12/2017	Impairment loss during transfer to brands	Deprecia-tions 2018	Reclassi-fication	Acquisition Women Brands	Net book value intangible assets 31/12/2017
Titles & Property Rights (unlimited lifetime)						
- News Belgium	42,950	-41,150		-1,800		0
- Business Belgium	14,773	-7,883		-6,890		0
- Free Press Belgium	12,616	-12,616		0		0
Total Titles & Property Rights (unlimited lifetime)	15,461	-1,555	-1,408	-12,498		0
Total Titles & Property Rights (unlimited lifetime)	**85,800**	**-63,204**	**-1,408**	**-21,188**		**0**
Brands			**-1,825**	**21,188**	**32,942**	**52,305**

Sensitivities in the test for impairment losses

In the case of further significant changes in the media market, impairment losses on the intangible fixed assets of Roularta Media Group may occur. The realised cash flows could deviate from the budgeted cash flows in the strategic business plans if the basic assumptions used concerning revenue assumptions (e.g. advertising income, number of subscribers, price per subscription, ...) or cost assumptions (printing costs, paper costs, personnel charges or general costs) change. This could be the case if the behaviour of readers or advertisers changes significantly in the future. The media sector is in full transformation, and this is mainly characterised by changing readership behaviour. In addition, competition can put pressure on margins within the media sector, as a result of which realised cash flows might differ from budgeted cash flows.

In the case of an increase in the WACC based on the profile of Roularta Media Group as a whole and on a group of comparable companies, the discounted value of future cash flows will decrease and a value reduction can occur.

Le Vif/L'Express
A 20% decrease in EBITDA would give rise to an additional impairment loss on Le Vif/L'Express of € 360 K. A lower multiple of 5 instead of 6 would result in an additional impairment loss of € 300 K.

Recently acquired Sanoma brands:
This concerns the following brands: Libelle/Femmes d'Aujourd'hui, Flair, Feeling/GAEL, Communiekrant, La Maison Victor, Shedeals and Zappy Ouders.
In view of the recent acquisition, management has not performed a test for impairment losses on these brands since there are no indicators that they might be subject to impairment losses.

Other brands:
This concerns the following brands with a carrying amount on 31 December 2018: Landleven, STERCK, Top publications and Fiscaal-juridisch, and the following brands for which the carrying amount was fully written down on 30 June 2018: Krant van West-Vlaanderen, Deze Week, Tempo Verde, ICT, Trends/Trends-Tendances, Inside Beleggen, GO, Royals, Business Leads and Storesquare.

Management believes that reasonable changes to the assumptions including:
- A change in the WACC by 2% (from 8% to 6% and 10%);
- A change in the long-term growth rate used from 0% to -2%;
- A constant WACC and long-term growth rate, but a 30% reduction in cash flow for perpetuity;
- A combination of an increase in the WACC by 1% (to 9%), a decrease of the long-term growth rate by 1% (to -1%) and a reduction in the cash flow in perpetuity of 10%;

Do not give rise to additional or lower impairment losses than were booked on 30 June 2018.

NOTE 16 - PROPERTY, PLANT AND EQUIPMENT

2018 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	**90,533**	**25,648**	**10,002**	**0**	**181**	**2,578**	**128,941**
Movements during the period:							
- Acquisitions	358	3,365	509				4,232
- Acquisitions through business combinations	-184	-251	-268		-121		-824
- Disposals through business divestiture (-)			-47		-10		-57
- Transfers from one heading to another		2,563				-2,578	-15
At the end of the period	**90,707**	**31,325**	**10,196**	**0**	**50**	**0**	**132,277**
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at the end of the preceding period	**45,536**	**19,494**	**8,321**	**0**	**163**	**0**	**73,514**
Movements during the period:							
- Depreciation	3,449	1,659	397		8		5,513
- Written down after sales and disposals (-)	-148	-241	-266		-122		-777
- Disposals through business divestiture (-)			-44		-7		-51
At the end of the period	**48,837**	**20,912**	**8,408**	**0**	**42**	**0**	**78,199**
Net carrying amount at the end of the period	**41,870**	**10,413**	**1,788**	**0**	**8**	**0**	**54,078**

Assets pledged as security	**in thousands of euros**
Land and buildings pledged as security for liabilities (mortgage included)	**0**

2017 in thousands of euros	Land and buildings	Plant, machinery & equip-ment	Furniture and vehicles	Leasing and other similar rights	Other property, plant & equip-ment	Assets under construc-tion	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
- Acquisitions through business combinations			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**

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	
			2018	2017
Bayard Group	Media Brands	Augsburg, Germany	50.0%	50.0%
Mediafin	Media Brands	Brussels, Belgium	50.0%	0%

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. In 2018, participation was acquired in the joint venture with Mediafin.
Condensed financial information related to the significant joint ventures of the Group is detailed below. Such financial information agrees to the financial reporting of the joint ventures in accordance with IFRS.

II. 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, 50+ Beurs & Festival BV, Mediaplus BV and Verlag Deutscher Tierschutz-Dienst GMBH. In July 2018, the remaining 75% of shares of Mediaplus BV were acquired by Senior Publications Nederland BV, a 50% subsidiary of Roularta Media Group NV. In 2017 Press Partners BV was sold.

Condensed financial information	in thousands of euros	2018	2017
Fixed assets		5,610	17,294
Current assets		27,190	28,060
- of which cash and cash equivalents		6,077	5,124
Non-current liabilities		-5,001	-7,418
- of which financial liabilities		0	0
Current liabilities		-20,939	-20,244
- of which financial liabilities		0	0
Net assets		6,860	17,692
Sales		55,832	57,522
Depreciation		-1,167	-1,718
Impairment loss		-11,941	0
Interest income		13	18
Interest expense		-45	-46
Income tax expense		1,245	-203
Net result for the period		-6,512	5,075
Other comprehensive income for the period		-20	24
Total comprehensive income for the period		-6,532	5,099
Dividends received during the period		2,150	8,496

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	2018	2017
Net assets of the joint venture/ associate	6,860	17,692
Share of the Group in Bayard Group	50.0%	50.0%
	3,430	**8,846**
Other adjustments:		
The unrecognised part of the loss of companies of the Bayard Group (*)	2,430	
Carrying amount of the investment in Bayard Group	**5,860**	**8,446**

(*) The losses of some affiliates exceeded the carrying amount of the participation. The carrying amounts of these participations were reduced to zero for a total amount of € 2.4 M (in RMG consolidation, at 50%; thus for € 4.8 M in Bayard Group consolidation), in accordance with the valuation rules in Note 1. The accumulated loss was recognised under the provisions for other risks and costs, since it concerns a joint venture.

Bayard Group is part of the Media Brands 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 decrease in fixed assets mainly results from the decrease in intangible assets due to the impairment losses at J.M. Sailer Verlag GMBH and Bayard Media GMBH & CO KG. The impairment losses also result in a decrease in deferred taxes, and consequently also long-term liabilities.
The biggest drop in revenue was in the magazines of Senior Publications Nederland (- € 1,320 K). The loss of contracts for third parties resulted in a decrease in printing for third parties (- € 0.6 M) and advertising (- € 0.3 M). A decrease in the number of subscribers to Plus Magazine also resulted in a decrease in subscription revenue (- € 0.4 M). An impairment loss was recorded on the brands of the German companies (€ 11.9 M) on 30/06/2018. These impairment losses result in decreased depreciation. The tax revenue on the result is mainly due to the neutralisation of deferred taxes (€ 2.6 M) on the impairment loss.
Roularta Media Group has no contractual obligations or limitations towards Bayard Group.

Mediafin

On 12 March 2018, Roularta Media Group acquired 50% of the shares in Mediafin NV from De Persgroep, for a total acquisition price of € 58 M. Mediafin is the Belgian publisher of high-quality media such as De Tijd and L'Echo, which are committed to top journalism: a good match for the Roularta Group which also focuses on higher target groups. The acquisition was part of the sale of Medialaan to De Persgroep. The other 50% of Mediafin remains in the hands of Groupe Rossel.

Condensed financial information on acquisition date	in thousands of euros	2018
Fixed assets (*)		123,306
Current assets		35,451
- of which cash and cash equivalents		6,313
Non-current liabilities		-31,185
- of which financial liabilities		0
Current liabilities		-36,168
- of which financial liabilities		0
Net assets		91,404
Share of the Group in Mediafin		50.0%
Net assets attributable to Roularta Media Group		**45,702**
Paid purchase price		58,040
Goodwill		12,338

(*) includes customer relations (€ 29,558 K) and Brands (De Tijd/L'Echo: € 82,531 K, BePublic - BeReal: € 3,594 K and Comfi: € 1,317 K).

Customer relationships with a fair value of € 29,558 K are valued on the basis of the multi-period excess earnings method, a commonly used discounted cash flow method for valuing customer relationships under IFRS. This method is based on the expected future cash flows that can be received from these customer relationships over a period of 20 years, discounted to today. To determine these cash flows, the expected revenue is multiplied by the EBIT margin. The revenue basis is based on historical revenues (c. € 59 M in 2018) and a growth rate of 3.2%, in line with historical growth. These revenues are subsequently reduced by a churn rate of 5% in 2018, which continues to grow by 5% each additional year. The adjusted EBIT margin (after contributory asset charges) amounts to 8.8% of revenue and is based on historically achieved results. The discount rate used is 8.75% and is calculated based on the WACC method, which is based on market data. The tax rate used is 29.58% in 2018-19 and 25.00% for the following years.

The De Tijd/L'Echo brand with a fair value of € 82,531 K is valued on the basis of the relief from royalty method, a commonly used discounted cash flow method for valuing brand names or technologies under IFRS. This method is based on the expected future cash flows that would be received in the form of royalties if the brand is transferred to a third party via a license agreement for a period of 40 years, discounted to today. The revenue basis is based on historical revenues (c. € 59 M in 2018) and a growth rate of 3.2%, in line with historical growth. The royalty rate used of 10% (percentage of revenue) is based on royalty rates used in comparable market transactions. The discount rate used is 8.25% and was calculated based on the WACC method, which is based on market data. The tax rate used is 29.58% in 2018-19 and 25.00% for the following years.

Condensed financial information on balance sheet date	**in thousands of euros**	**2018**
Fixed assets		148,174
Current assets		18,606
- of which cash and cash equivalents		3,560
Non-current liabilities		-30,485
- of which financial liabilities		0
Current liabilities		-22,767
- of which financial liabilities		0
Net assets		113,528
Sales		58,813
Depreciation		-5,371
Interest income		166
Interest expense		-36
Income tax expense		-2,249
Net result for the period		4,248
Other comprehensive income for the period		0
Total comprehensive income for the period		4,248
Dividends received during the period		3,400

The results included above concern the result from the acquisition by RMG (from 1 March 2018).

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

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

in thousands of euros	2018
Net assets of the joint venture/ associate	113,528
Share of the Group in Mediafin	50.0%
Carrying amount of the investment in Mediafin	**56,764**

The table below presents the details (at 100%) of the net carrying amount and the useful life of the brands, customer relationships and consolidation goodwill within Mediafin at 31 December 2018:

in thousands of euros	2018	Total useful life (in years)
De Tijd/L'Echo	80,811	40
Comfi	1,156	10
BePublic - BeReal	3,294	10
Customer Relations	28,327	20
Consolidation goodwill	24,675	Indefinite
Total	**138,263**	

The total annual depreciation charge for the aforementioned intangible fixed assets within Mediafin is € 2.9 M (including deferred taxes).

The annual impact on Roularta Media Group's EBITDA of this depreciation amounts to € 1.5 M.
In view of the recent acquisition, management has not performed a test for impairment losses on brands mentioned above since there are no indicators that they might be subject to impairment losses.

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	2018	2017
Share of the Group in the result for the period	-699	-1,616
Share of the Group in total comprehensive income for the period	-699	-1,616
Total carrying amount of other investments held by the Group	**663**	**962**
Amounts receivable - other investments held by the Group	**400**	**477**

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	2018	2017
Balance at the end of the preceding period	9,808	127,139
Movements during the period:		
- Share in the result of associated companies and joint ventures	-1,831	922
- Result of discontinued operations	0	18,510
- Share of other comprehensive income of joint ventures and associates	-10	12
- Dividends	-5,550	-8,496
- Provision for additional losses	2,245	426
- Effect group change	58,624	-128,705
Balance at the end of the period (investments, amount receivable not included)	**63,286**	**9,808**

In 2018, the acquisition of Mediafin (€ 58,040 K) in particular had an effect on the net carrying amount of the participating interests according to the equity method.

In 2017, the net carrying amount of the participations in equity decreased mainly due to the sale of Medialaan (- € 110,417 K) and the result of Medialaan in discontinued operations (- € 18,510 K).

NOTE 18 - OTHER INVESTMENTS, LOANS AND GUARANTEES

I. Overview

	2018	2017
Available-for-sale-investments		264
Investments - Fair Value Through Profit or Loss	299	
Loans and guarantees - Loans and guarantees under IAS39		1,840
Loans and guarantees - amortised cost	2,227	
Total other investments, loans and guarantees	**2,526**	**2,104**

II. Other investments - evolution during the financial year

in thousands of euros	2018	2017(*)
AT FAIR VALUE WITH RECOGNITION OF VALUE CHANGES IN PROFIT AND LOSS ACCOUNT		
At the end of the preceding period	**478**	**990**
Movements during the period:		
- Acquisitions	50	75
- Sales and disposals (-)	-15	-587
At the end of the period	**513**	**478**
IMPAIRMENT LOSSES (-)		
At the end of the preceding period	**-214**	**-361**
Movements during the period:		
- Impairment loss / reversal recognised in income		147
At the end of the period	**-214**	**-214**
Net carrying amount at the end of the period	**299**	**264**

(*) Recognised in 2017 as participating interests available for sale.

Management has determined that the cost price is a correct estimate of the fair value for the unlisted equity investments of the fully consolidated companies because there is insufficient recent information available to measure the fair value.

Just as in 2017, the largest participations are CPP-Incofin (€ 124 K) and Bedrijvencentrum Regio Roeselare (€ 50 K). In 2018, Find Me was acquired (€ 50 K) and MLP (Messageries de presse) was divested (€ 15 K).

III. Loans and guarantees - evolution during the financial year

in thousands of euros	2018	2017
AT AMORTISED COST		
At the end of the preceding period	**1,840**	**1,841**
Movements during the period:		
- Additions	387	
- Reimbursements		-1
At the end of the period	**2,227**	**1,840**
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	**2,227**	**1,840**

The loans and guarantees are valued at an amortised cost price and consist of various guarantees for € 2,227 K (2017: € 1,840 K).

NOTE 19 - TRADE AND OTHER RECEIVABLES

I. Trade and other receivables, non current

in thousands of euros	2018	2017
Trade receivables		
Other receivables	219	600
Total trade and other receivables - non current	**219**	**600**

In 2017, another receivable of € 433 K was still outstanding for the French company Idéat, which has since been sold. This receivable was partially repaid in early 2018; the balance (€ 325 K) expires in 2019 and was 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 2018 there were no doubtful non current receivables.

II. Trade and other receivables, current

in thousands of euros	2018	2017
Trade receivables, gross	62,748	53,068
Allowance for bad and doubtful debts, current (-)	-3,554	-4,628
Invoices to issue and credit notes to receive (*)	4,276	4,124
Amounts receivable and debit balances suppliers	891	677
VAT receivable (*)	231	566
Other receivables, gross	1,505	16,424
Allowance for other receivables	-341	-316
Total trade and other receivables - current	**65,756**	**69,915**

(*) 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 2018. 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. The increase in trade receivables is in line with the increase in revenue. The decrease in short-term other receivables can be explained by the collection of the remaining € 15 M in 2018 following the sale of the French activities.

Analysis of the age of current trade receivables	**in thousands of euros**	**2018**	**2017**
Net carrying amount at the end of the period		**62,748**	**53,068**
- of which:			
* not due and due less than 30 days		52,191	40,493
* due 30 - 60 days		2,867	4,254
* due 61 - 90 days		1,424	1,690
* due more than 90 days		6,266	6,632

At the end of the financial year, doubtful receivables are estimated based on an assessment of all outstanding amounts. For trade receivables that do not contain a significant financing component (i.e. almost all trade receivables), the provision for losses is valued at an amount equal to the expected credit losses during the term. These are the expected credit losses that arise from all possible defaults during the expected lifetime of these trade receivables, based on a provision matrix that takes into account historical information about payment defaults adjusted for future-oriented information per customer. The Group considers a financial asset in default when the receivables have been due for more than 120 days or have been included in a collection procedure. Nevertheless, the Group also considers a financial asset to be in default when internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full, before taking into account any credit protection held by the Group. 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**	**2018**	**2017**
Net carrying amount at the end of the preceding period		**-4,628**	**-4,123**
- Amounts written off during the year		-3,580	-4,550
- Reversal of amounts written off during the year		4,554	4,121
- Receivables derecognised as uncollectible and amounts collected in the financial year		100	-76
Net carrying amount at the end of the period		**-3,554**	**-4,628**

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. The group applied the simplified method under IFRS 9 to measure the loss compensation at an amount equal to the credit losses expected during the period, see aforementioned. These are calculated on the basis of a precision matrix that takes into account historical information about defaults adjusted for future-oriented information per customer. The Group analysed the impact of IFRS 9 and has decided that there is no material impact on the provision for doubtful accounts receivable.
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**	**2018**	**2017**
Net carrying amount at the end of the preceding period		**-316**	**-258**
- Amounts written off during the year		-25	-240
- Reversal of amounts written off during the year			182
Net carrying amount at the end of the period		**-341**	**-316**

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	2018		2017	
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Intangible assets	1,149	1,547	676	16,057
Property, plant and equipment	5	5,314	5	5,600
Other investments, loans, guarantees		3,343		3,404
Trade and other receivables				163
Treasury shares		15		15
Retained earnings		522		522
Provisions	918		1,204	
Non-current employee benefits	1,398		1,566	
Other payables			7	
Total deferred taxes related to temporary differences	**3,470**	**10,741**	**3,458**	**25,761**
Tax losses	177		12,438	
Tax credits	11,834		15,243	
Set off tax	-9,678	-9,678	-24,576	-24,576
Net deferred tax assets/liabilities	**5,803**	**1,063**	**6,563**	**1,185**

Deferred tax assets have not been recognised in respect of tax losses for an amount of € 72,367K (2017: € 60,638K) and in respect of temporary differences of € 5K (2017: € 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 € 133K (2017: € 155K) 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	2018		2017	
	Tax losses carried forward	**Tax credits**	**Tax losses carried forward**	**Tax credits**
Year of expiration				
2018				254
Without expiration date	177	11,834	12,438	14,989
Total deferred tax asset	**177**	**11,834**	**12,438**	**15,243**

NOTE 21 - INVENTORIES

in thousands of euros	2018	2017
Gross amount		
Raw materials	5,307	4,389
Work in progress	768	768
Finished goods	178	184
Goods purchased for resale	562	590
Contracts in progress	3	0
Total gross amount (A)	**6,818**	**5,931**
Write-downs and other reductions in value (-)		
Finished goods	-157	-163
Goods purchased for resale	-313	-220
Total write-downs (B)	**-470**	**-383**
Carrying amount		
Raw materials	5,307	4,389
Work in progress	768	768
Finished goods	21	21
Goods purchased for resale	249	370
Contracts in progress	3	0
Total carrying amount at cost (A+B)	**6,348**	**5,548**

There are no buildings or other securities applicable to the inventories.

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

I. Short-term investments

in thousands of euros	2018	2017
AT COST		
At the end of the preceding period	**0**	**306**
Movements during the period:		
- Reimbursements and sales		-306
At the end of the period	**0**	**0**
FAIR VALUE ADJUSTMENTS		
At the end of the preceding period	**0**	**-260**
Movements during the period:		
- Reimbursements and sales		260
At the end of the period	**0**	**0**
Net carrying amount at the end of the period	**0**	**0**

II. Cash and cash equivalents

in thousands of euros	2018	2017
Bank balances	60,951	37,979
Short-term deposits	35,000	5,000
Cash at hand	5	5
Total cash and cash equivalents	**95,956**	**42,984**

This evolution is due mainly to the sale of Medialaan (+ € 279.6 M) and the last tranche of payments for the French activities sold (+ € 15.0 M), less the purchase of Mediafin (- € 58 M), less the purchase of the Sanoma brands (- € 15.9 M) and less the paid interim dividend (- € 62.7 M). In addition, the integral repayment of the bond loan (- € 100 M) took place, resulting in a decrease in both current cash and financial debts.

NOTE 23 - EQUITY

Issued capital

At 31 December 2018, the issued capital amounted to € 80,000K (2017: € 80,000K) represented by 13,141,123 (2017: 13,141,123) fully paid-in ordinary shares. These are no-par shares.

Treasury shares

At 31 December 2018 the Group owns 598,435 own shares (2017: 603,635).
During the financial year, 5,200 own shares were granted to the holders of options at the moment of the exercise of their options.

Other reserves

in thousands of euros	2018	2017
Share premium	304	304
Costs of issuance and equity increase (net after deferred taxes)	-1,275	-1,275
Reserves for share-based payments	5,855	5,754
Reserves for actuarial gain / loss employee benefits	-709	-3,554
Total other reserves	**4,175**	**1,229**

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.

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	76,185	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**	**486,235**			

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

	2018		2017	
	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	**491,435**	**34.21**	**500,625**	**33.87**
Exercised during the year	-5,200	15.71	-9,190	15.71
Outstanding at the end of the year	**486,235**	**34.41**	**491,435**	**34.21**
Exercisable at the end of the year	363,115		327,483	

During the year, 5,200 share options were exercised. In 2017, 9,190 share options were exercised. The share options outstanding at the end of the year have a weighted average remaining term of 4.2 years.

The weighted average share price at the date of exercise in 2018 was € 22.84 (2017: € 25.55)

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 2018 the Group recognised € 102K (2017: € 125K) 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

2018 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		**4,288**	**9**	**0**	**2,744**	**7,041**
Movements during the period:						
- Additional provisions		40	8			48
- Increase / decrease to existing provisions		365			2,245	2,610
- Amounts of provisions used (-)					-1,358	-1,358
- Unused amounts of provisions reversed (-)		-195			-63	-258
At the end of the period		**4,498**	**17**	**0**	**3,568**	**8,083**

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 on 1 January 2018 include the provision for remaining lease obligations of a disused printing press. This provision was eliminated at the end of the financial year. Growth for the financial year and the final balance of the other provisions largely concern a provision for participations recorded via the equity method, the losses of which exceeded the carrying amount of the participation. See also Note 17. The accumulated loss has been recognised under the provisions for other risks and costs.

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**

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: € 3.96 M in principal; € 4.06 M in overdue interest; the court costs. On appeal the ruling of the first court was broadly confirmed. However, NV Kempenland's claim for capitalisation of interest was rejected on appeal. The amount which NV Roularta Media Group was condemned to pay was paid to the opposing party at the end of December 2015. An appeal was filed by Roularta Media Group before the Belgian Supreme Court. The Belgian Supreme Court set aside the judgement only with respect to the amount of the litigation costs of appeal owed by the Roularta Media Group. The case was referred to the Ghent Court of Appeal. The pending discussion between Kempenland and RMG concerning allocation of the payments made during the course of the dispute and deposits paid against the final amount of the sentence pursuant to the judgement of the Court of Appeal (principal, interest and fees) was submitted for judgement to the attachment court of the judicial district of Ghent, Kortrijk division. For this pending discussion, Roularta Media Group set aside a provision of € 0.5 M at the end of 2015. In a judgement of the attachment court of 18/12/2017, the position taken by NV Roularta Media Group regarding the awarding of payments by the attachment court was complied with, although the attachment court refrained from an effective calculation. Kempenland appealed this judgement of the attachment court. The case is being argued in appeal on 10 September 2019.

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 M. 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 Brussels Court of Appeal confirmed the contested judgement on 24 October 2017. The judicial liquidator of SAS QOL announced on 27 March 2018 that he would comply with the intervening judgement.

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. By judgement of the Nivelles judge of attachments of 5 January 2015 Euro DB was sentenced to pay € 1.28 M of forfeited penalties and costs. This amount was placed by Euro DB on a blocked account with the Deposit and Consignment Office. In a judgement pronounced by the Brussels Court of Appeal on 5 December 2017, the penalties (including costs) served for an amount of 918,000 euros were declared well-founded. At the request of Infobase, this amount was released; the balance remains on deposit.

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. Infobase appealed against this judgement in cassation on 5 July 2018. This appeal in cassation is still pending.

Infobase, however, continues to serve notice of periodic penalty payments. A further provision is being set aside for the penalty payments. On the basis of the judgement of the Brussels Court of Appeal in which it was decided that the protection of the database was time-barred with effect from 1 January 2013, Roularta Media Group started proceedings to repeal the penalty. Trial briefs are currently being exchanged between the parties in these proceedings. The oral arguments will take place on 27 June 2019.

In the context of a dispute regarding the use of the brand Deze Week, Roularta Media Group was ordered by the Commercial Court of Ghent, Kortrijk Division, on 23 October 2017, to cease using the title "Deze Week" in the Kortrijk, Deerlijk, Harelbeke, Kuurne and Zwevegem region, subject to a penalty of €1K per infringement. Roularta Media Group has appealed this judgement. In a judgement of the Ghent Court of Appeal pronounced on 10 December 2018, the appeal was declared admissible but unfounded.

In the meantime, on the basis of alleged breaches of the strike ban, the counterparty has begun serving notice of the incurred penalty payments. In a decision of the attachment court, Roularta Media Group was ordered to pay an amount of € 223K in penalty payments. This amount was fully placed on deposit by Roularta Media Group with the deposit fund (Deposit and Consignment Office). Roularta Media Group has appealed the decision of the attachment court. Parallel to the appeal, Roularta Media Group started proceedings on the merits before the court in application of Article 1385d Judicial Code in which the court is being requested to cancel the penalty, suspend its term for a period to be determined, or to reduce the penalty in the event of the permanent or temporary, total or partial impossibility of complying with the main judgement.

NOTE 27 - NON-CURRENT EMPLOYEE BENEFITS

I. General overview

in thousands of euros	2018	2017
Defined benefit plans	3,234	1,833
Other long-term employee benefits	2,544	4,741
Future tariff benefits on subscriptions	*561*	*615*
Employee retirement premiums	*188*	*309*
Jubilee premiums	*1,795*	*3,817*
Total benefit plans	**5,778**	**6,574**

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	2018	2017
A. Amounts recognised in the balance sheet		
Net funded defined benefit plan obligation (asset)	3,234	1,833
1. Present value of funded or partially funded obligation	51,029	39,879
2. Fair value of plan assets (-)	-47,795	-38,046
Defined benefit plan obligation, total	**3,234**	**1,833**
B. Net expense recognised in income statement and other comprehensive income		
Recognised in income statement		
1. Current service cost	3,032	2,694
2. Interest cost (+)	867	718
3. Interest income (-)	-829	-738
Total net expense recognised in income statement	***3,069***	***2,674***
Recognised in other comprehensive income		
1. Net actuarial (gain) loss recognised	-2,010	1,201
Total net expense recognised in other comprehensive income	***-2,010***	***1,201***
Net expense recognised in income statement and other comprehensive income	**1,059**	**3,875**
C. Movements in the present value of the defined benefit plan obligation		
Present value of the defined benefit plan obligation, beginning balance	**39,879**	**36,025**
1. Current service cost	3,032	2,694
2. Interest cost	867	718
3. Net actuarial (gain) loss recognised	1,101	1,270
- of which actuarial (gain) loss due to experience adjustments	*-487*	*530*
- of which actuarial (gain) loss due to changes in valuation	*1,588*	*740*
4. Contribution by the plan's participants	392	359
5. Increases through business combinations	5,961	
6. Benefits paid (-)	-1,311	-1,188
7. Net transfers in/out	1,110	
Present value of the defined benefit plan obligation, ending balance	**51,029**	**39,879**
D. Movements in the fair value of plan assets		
Fair value of plan assets, beginning balance	**38,046**	**35,613**
1. Interest income	829	738
2. Return on assets, excluding amounts included in interest income	3,110	69
3. Contributions by employer	2,546	2,454
4. Contribution by the plan's participants	392	359
5. Increase through business combinations	3,073	
6. Benefits paid (-)	-1,311	-1,187
7. Net transfers in/out	1,110	
Fair value of plan assets, ending balance	**47,795**	**38,046**
E. Actuariële veronderstellingen		
1. Discount rate	1.76%	2.02%
2. Expected return on plan assets	1.76%	2.02%
3. Expected rate of salary increase	2.5%	3.0%
4. Future defined benefit increase	2.0%	2.0%

in thousands of euros	2018	2017	2016	2015
Present value of defined benefit obligation	51,029	39,879	36,025	1,973
Fair value of plan assets	47,795	38,046	35,613	1,821
Deficit / (surplus)	**3,234**	**1,833**	**412**	**152**
Experience adjustments on plan liabilities : increase (decrease)	-487	530	643	5
Return on assets, excluding amounts included in interest income	3,110	69	3,222	420

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:

	2018	2017
Insurance contract	100.0%	100.0%

The Group expects to make a contribution of € 2,213K to the defined benefit plans (including the Belgian group insurance contracts) in 2019 (2018: €2,128K).

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 can 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	2018	2017
Contributions paid - employer		3,102	2,899
Contributions paid - employee		350	340

IV. Stock options and subscription rights

We refer to Note 24.

NOTE 28 - FINANCIAL DEBTS

2018 in thousands of euros	Current	Non current			
Financial debts	**Up to 1 year**	**2 years**	**3 to 5 years**	**> 5 years**	**Total**
Credit institutions	298				298
Total financial debts according to their maturity	**298**	**0**	**0**	**0**	**298**

2017 in thousands of euros	Current	Non current			
Financial debts	**Up to 1 year**	**2 years**	**3 to 5 years**	**> 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**

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

During 2018, the other financial debts were repaid (early) in addition to the bond loan. At the end of the financial year, RMG had a negative current account balance of only € 298 K.

As of 31/12/2018, there are no more guaranteed debts outstanding with the lenders.

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

2018 in thousands of euros	Current	Non current			
Trade and other payables	**Up to 1 year**	**2 years**	**3 to 5 years**	**> 5 years**	**Total**
Trade payables	52,790				52,790
Advances received	25,175				25,175
Current employee benefits	16,025				16,025
- of which payables to employees	*12,084*				*12,084*
- of which payables to Public Administrations	*3,941*				*3,941*
Taxes	259				259
Other payables	14,814			287	15,101
Accrued charges and deferred income	6,875				6,875
Total amount of payables according to their maturity	**115,938**	**0**	**0**	**287**	**116,225**

2017 in thousands of euros	Current	Non current			
Trade and other payables	**Up to 1 year**	**2 years**	**3 to 5 years**	**> 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**

Current trade payables in thousands of euros	2018	2017
Trade payables	29,374	22,129
Invoices to be received / credit notes to issue (*)	22,484	15,527
Credit balances trade receivables	932	1,223
Total current trade payables	**52,790**	**38,879**

Current other payables in thousands of euros	2018	2017
Indirect tax payable (*)	3,324	2,763
Other payables	11,490	8,892
Total current other payables	**14,814**	**11,655**

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

Accrued charges and deferred income	in thousands of euros	2018	2017
Accrued interest		0	1,180
Accrued charges and deferred income (*)		6,875	6,409
Total accrued charges and deferred income		**6,875**	**7,589**

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

Due to the repayment of the loans (including the bond loan) in 2018, there is no accrued interest at the end of 2018.

The contract balances arising from contracts with customers included in these balances concern:

		Current	
	in thousands of euros	**2018**	**2017**
Contract liabilities			
Advances received		25,138	18,709
Credit notes to issue		2,691	2,228
Credit balances trade receivables		932	1,223
Deferred income		6,545	6,129
Obligations related to returns, refunds and other similar obligations			
Credit notes to be drawn up: provision for unsold issues		4,384	2,622

Although some magazines have a minimum subscription length of more than one year, no prepayment was received for more than one year. The increase in prepayments received is in line with the increase in revenue from the readership market due to the Women Brand magazines acquired in 2018.

NOTE 30 - FINANCE AND OPERATING LEASES

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

Operating leases

in thousands of euros	2018	2017
Lease payments recognised as an expense in the period	10,480	11,390

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.

IFRS 16 'Leases' will be applied from 1 January 2019. IFRS 16 replaces the current IAS 17 standard. The Group has determined that the application of IFRS 16 on the balance sheet date to its non-cancellable commitments relating to operational lease agreements existing on 1 January 2019 will result in assets and liabilities for future payments of € 4.7 M. More information can be found in Note 1 under 'IFRS 16 Leases'.

Non-cancellable future minimum operating lease payments: in thousands of euros	2018	2017
< 1 year	1,416	11,527
1 to 5 years	2,442	4,138
> 5 years	1,950	13
	5,808	**15,678**

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 2018 and 2017. At the end of 2018, no more properties were specified under business assets (2017: € 2,500K).

The Group's contractual obligations to buy paper from third parties amount to € 3,969K (2017: € 4,761K).

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 at least subject to a foreign exchange risk with regard to USD. In the past, the identified foreign exchange risks mainly occurred in the former Audiovisual Media segment due to (expected) purchases in USD and via activities outside the euro area. Given the sale of Medialaan in January 2018, this risk has become very minimal. In addition, the Group runs very limited foreign exchange risks with regard to its operational activities.

Financing activities

As of 31 December 2018 and 31 December 2017, 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	2018	2017	Effective interest rate
Fixed interest rate			120	from 1.5% to 3.5%
Fixed interest rate			99,979	from 4% to 6%
Fixed interest rate with variable margin			4,825	from 2.35% to 5.5%

Next to these loans, at 31 December 2018, the Group had negative overdrafts with credit institutions for € 298K (2017: € 612K). 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, an Interest Rate Swap, that was recognised as a cash flow hedging contract in accordance with the rules defined in IAS 39. As of 31 December 2018, there are no more financial instruments.

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

2018	in thousands of euros	Evolution market values	Recognised in equity	Recognised in profit and loss
Interest Rate Swap				
Cash flow hedge		*64*	*64*	
		64	**64**	**0**

2017	in thousands of euros	Evolution market values	Recognised in equity	Recognised in profit and loss
Interest Rate Swap				
Cash flow hedge		*-64*	*-64*	
		-64	**-64**	**0**

The changes that have been included in equity are recognised under other reserves.

Estimated sensitivity to interest rate fluctuations
As there are no loans outstanding in 2018 that carry a variable interest rate, the Group is not subject to sensitivity related to interest rate fluctuations per 31 December 2018.

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 2018.

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.

The Group expects to meet its obligations through operating cash flows and current liquid assets. Roularta is indeed almost fully debt-free and enjoyed a cash position of more than € 95 M at the end of 2018. Roularta Media Group also no longer has available various short term credit lines (2017: € 47,550 K). Liquidity risk is therefore now minimal.
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 2018	in thousands of euros	Current	Non current			
		Up to 1 year	2 years	3 to 5 years	> 5 years	Total
Credit institutions		298				298

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.
Given the strongly changing Media sector in which the Group operates, debt is handled with great care.

At the end of 2018, Roularta Media Group was virtually debt-free during a year in which the shareholders received an interim dividend of € 5.00 gross per share.

The capital structure of the Group consists mainly of capital (see details in Note 23) at the end of 2018. Note 28 shows the details of the limited financial debts. Note 22 shows the cash investments, cash and cash equivalents.

The Group had a net cash position of € 95.7 M at the end of 2018 versus a net debt position of € 65.5 M at the end of 2017. The Group has free access to this important cash position and therefore is always able to respond to market opportunities.

The Group is not subject to any externally imposed capital requirements.
The Audit Committee reviews the capital structure of the Group every six months. As part of this review, the cost of capital and the risk of each type of capital (foreign or own) is considered.

There is currently no financial debt, so the gearing shows a negative figure at the end of 2018. At the end of 2017, the gearing was still 30.5%.

F. Fair value

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

				2018		2017	
in thousands of euros	**Note**	**Classification under IAS 39**	**Classification under IFRS 9**	**Book Value**	**Fair Value**	**Book Value**	**Fair Value**
Non-current assets							
Other investments	18	AFS	FV-P&L	299	299	264	264
Loans and guarantees	18	L&R	AC	2,227	2,227	1,840	1,840
Trade and other receivables	19	L&R	AC	219	219	600	600
Current assets							
Trade and other receivables	19	L&R	AC	65,756	65,756	69,915	69,915
Cash and cash equivalents	22	L&R	AC	95,956	95,956	42,984	42,984
Non-current liabilities							
Financial debts	28	FVAC	AC	0	0	-4,285	-4,814
Other payables	29	FVAC	AC	-287	-287	-287	-287
Current liabilities							
Financial debts	28	FVAC	AC	-298	-298	-101,251	-104,146
Trade payables	29	FVAC	AC	-52,790	-52,790	-38,879	-38,879
Advances received	29	FVAC	AC	-25,175	-25,175	-18,743	-18,743
Other payables	29	FVAC	AC	-14,814	-14,814	-11,655	-11,655
Accrued interests	29	FVAC	AC	0	0	-1,180	-1,180

Classification under IAS 39	L&R	Loans and receivables
	AFS	Available-for-sale
	FVAC	Financial liabilities at amortised cost
Classification under IFRS 9	AC	Financial assets and financial liabilities at amortised cost
	FV-P&L	Financial assets at fair value through profit and loss
	FV-OCI	Equity instruments at fair value reported in other comprehensive income

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

Other investments
As mentioned in Note 18, management has determined that the cost price is a correct estimate of the fair value for the unlisted equity investments of the fully consolidated companies because there is insufficient more recent information available to measure the fair value.

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 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 2018, the Group held the following financial instruments measured at fair value:

in thousands of euros	31/12/2018	Level 1	Level 2	Level 3
Assets measured at fair value				
Short-term investments	299			299

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

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 (via prices) or indirectly (derived from prices)
- 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 - BUSINESS COMBINATIONS

The acquisition of the Sanoma Women Brands was completed on 30 June 2018. The acquired Sanoma brands concern: the weekly magazines Libelle/Femmes d'Aujourd'hui and Flair (Dutch/French), the monthly magazines Feeling/GAEL and the magazines La Maison Victor, Communiekrant, and Loving You. In addition, the acquisition also includes the e-commerce platform with special offers Shedeals, as well as the websites, line extensions and social media channels of the aforementioned brands.

In 2017 there was the acquisition of Bright Communications and Bright Communications Antwerpen. On 1 July 2017, Roularta Media Group took a 100% stake in the capital of these companies.

The 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	2018	2017
ASSETS		
Non-current assets	**33,942**	**4,815**
Intangible assets	32,941	4,805
Property, plant and equipment		10
Deferred tax assets	1,001	
Current assets	**107**	**1,398**
Trade and other receivables		744
Accrued charges and deferred income		4
Cash and cash equivalents		650
Inventories	107	
Total assets	**34,049**	**6,213**
LIABILITIES		
Non-current liabilities	**3,001**	**1,266**
Employee benefits	3,001	
Other payables		1,266
Current liabilities	**7,226**	**774**
Financial debts		129
Trade payables	297	241
Advances received	5,866	0
Employee benefits	1,063	45
Taxes		293
Other payables		54
Accrued charges and deferred income		12
Total liabilities	**10,227**	**2,040**
Total net assets acquired	**23,822**	**4,173**
Net assets acquired	23,822	4,173
Consideration paid / to pay in cash and cash equivalents	**23,822**	**4,173**
Deposits and cash and cash equivalents acquired	0	-650
Acquisition price still owed	-7,868	
Net cash outflow	**15,954**	**3,523**

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

2018	**in thousands of euros**	**Sales of the period**	**Net result of the period**
- Women Brands		31,121	8,786

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 acquisition of the aforementioned Women Brands had taken place on 1 January 2018, the likely contribution to consolidated revenue for the financial year by these brands would be € 62.8 M. However, the revenue information for the first 6 months of 2018 could not be verified by RMG. No reliable information is available for the impact on the net result.

On 12 March 2018, Roularta Media Group acquired 50% of the shares in Mediafin NV from De Persgroep, for a total acquisition price of € 58 M. This acquisition and the purchase of the Women Brands described above result in a net cash outflow with regard to sector takeovers and acquisitions of € 74 M. Mediafin is consolidated according to the equity method. More information can be found in Note 17.

On 1 July 2018, the remaining 75% of shares of Mediaplus BV were acquired for € 1.0 M by Senior Publications Nederland BV, a 50% subsidiary of Roularta Media Group NV. Both companies are consolidated according to the equity method. More information can be found in Note 17.

NOTE 34 - DISPOSAL OF SUBSIDIARIES AND SECTOR DISPOSALS

On 30 June 2018, the brands 'Ik ga Bouwen & Renoveren' and 'Je vais Construire & Rénover' were sold to Sanoma. On 1 July 2018, the 51% stake in Zeeuws Vlaams Mediabedrijf was sold to De Persgroep.

The effect of these sales on the assets and liabilities of the Group is as follows:

in thousands of euros	2018	2017
ASSETS		
Non-current assets	**302**	**0**
Intangible assets	292	
Property, plant and equipment	6	
Financial assets	4	
Current assets	**645**	**0**
Trade and other receivables	214	
Cash and cash equivalents	384	
Deferred charges and accrued income	47	
Total assets	**947**	**0**
LIABILITIES		
Non-current liabilities	**24**	**0**
Employee benefits	24	
Current liabilities	**382**	**0**
Financial liabilities	53	
Advances received	187	
Employee benefits	111	
Taxes	1	
Other payables	30	
Total liabilities	**406**	**0**
Total disposed net assets	**541**	**0**
Minority interests	-265	
Gain (loss) on disposal	421	
Cash consideration received	**697**	**0**
Deposits and cash and cash equivalents disposed of	-384	0
Net cash inflow (outflow)	**313**	**0**

In 2018, the last tranche of € 15 M was received for the sale of the French activities in 2015; in 2017 € 17 M was received.

In 2017, the subsidiaries Twice Entertainment BVBA and Twice Technics BVBA were sold, for which € 125 K was received.

The table below provides an overview of the net cash flow with regard to divestments and acquisitions of sectors:

in thousands of euros	2018	2017
Sale of the French operations in 2015	15,000	17,000
Sale of Medialaan (see Note 11)	279,634	
Other sales(*)	313	125
Net cash flow relating to disposal of subsidiaries and sector acquisitions	**294,947**	**17,125**

(*) Relates to the sale of Zeeuws Vlaams Mediabedrijf and the brands Ik ga Bouwen & Renoveren and Je vais Construire & Rénover in 2018, and the sale of Twice Entertainment BVBA and Twice Technics BVBA in 2017.

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

No major events have occurred which significantly affect the results and the financial position of the company. A small German title "Leben & Erziehen" was sold on April 3 by our joint venture Bayard Media.

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

The audit fees amount to € 201K. The fees of the auditor related to special services amount to € 71K.

NOTE 38 - RELATED PARTY TRANSACTIONS

2018	in thousands of euros	Associated companies and joint ventures	Other related parties	Total
I. Assets with related parties		**2,849**	**15**	**2,864**
Other investments, loans and guarantees		**400**	**0**	**400**
Loans		400		400
Current receivables		**2,449**	**15**	**2,464**
Trade receivables		2,316	15	2,331
Other receivables		133		133
II. Liabilities with related parties		**12,828**	**326**	**13,154**
Financial liabilities		**37**	**0**	**37**
Other payables		37		37
Payables		**12,791**	**326**	**13,117**
Financial debts		298		298
Trade payables		2,268	326	2,594
Other payables		10,225		10,225
III. Transactions with related parties		3,688	-1,759	**1,929**
Rendering of services		8,562	535	9,097
Receiving of services (-)		-4,896	-2,294	-7,190
Transfers under finance arrangements		22		22
IV. Key management personnel remunerations (including directors)				**3,131**
- of which short-term employee benefits				2,830
- of which post-employment benefits				260
- of which share-based payment expenses				41
V. Remuneration board members for the execution of their mandate				**403**

2017	in thousands of euros	Associated companies and joint ventures	Other related parties	Total
I. Assets with related parties		**3,268**	**312**	**3,580**
Other 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		**3,099**	**-2,121**	**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**

The Group has no assets, liabilities nor transactions with its shareholders Comm. VA Koinon, SA West Investment Holding, SA Bestinver Gestión S.G.I.I.C. and Capfi Delen Asset Management NV.
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. No write-downs are registered in 2018, nor in 2017.

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 as it applies to third parties. Purchases follow the usual procedure concerning selection of the supplier and applied prices.

NOTE 39 - GROUP COMPANIES

In 2018, the following changes occurred in the consolidated group:

New participations
- The acquisition of 50% of shares in Mediafin NV was completed on 12 March 2018.

Changed ownership without change in consolidation method
- On 1 May 2018 there was a capital increase at Proxistore NV, in which RMG NV did not participate. As a result, its participation percentage changed from 46.12% to 24.90%.
- On 1 July 2018 the remaining 75% of shares of Mediaplus BV were acquired by Senior Publications Nederland BV, a 50% subsidiary of Roularta Media Group NV.
- On 1 July 2018, CTR Media SA, a 50% subsidiary of Roularta Media Group NV, acquired the remaining 28.52% shares in the company Click Your Car NV.
- On 7 November 2018, RMG acquired the remaining 25.34% shares in Vogue Trading NV.
- Repropress CVBA: participation percentage changed from 29.93% to 29.51%.

Liquidations and mergers
- Journée Découverte Entreprises ASBL: liquidated on 16/03/2018
- Open bedrijven VZW: liquidated on 16/03/2018
- Bright Communications Antwerpen BVBA merged with Bright Communications BVBA on 06/07/2018
- VZW Ter Bevordering van het Ondernemerschap in België: liquidated on 20/07/2018
- Roularta Healthcare NV: liquidated on 26/12/2018
- Regionale TV Media NV: liquidated on 26/12/2018

Sold participations
- The sale of 50% in Medialaan NV was completed on 31 January 2018.
- On 1 July 2018, the 51% stake in Zeeuws Vlaams Mediabedrijf BV was sold to De Persgroep.
- On 14 August 2018, the participation in 4 All Solutions BVBA (30.11%) was sold by the company CTR Media SA.

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
- 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, 29 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%	
BELGIAN BUSINESS TELEVISION NV	Brussels, Belgium	100.00%	
BRIGHT COMMUNICATIONS BVBA	Roeselare, Belgium	100.00%	
HET MEDIABEDRIJF BV	Baarn, The Netherlands	100.00%	
ROULARTA SERVICES FRANCE SARL	Lille, France	100.00%	
TVOJ - MAGAZIN D.O.O. - in liquidation	Zagreb, Croatia	100.00%	
VOGUE TRADING VIDEO NV	Roeselare, Belgium	100.00%	
STUDIO APERI NEGOTIUM BVBA	Roeselare, Belgium	75.00%	
STORESQUARE NV	Roeselare, Belgium	65.00%	
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
CLICK YOUR CAR NV	Brussels, Belgium	50.00%	associate
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
MEDIAFIN NV	Brussels, Belgium	50.00%	joint venture
MEDIAPLUS BV	Baarn, The Netherlands	50.00%	joint venture
REGIONALE MEDIA MAATSCHAPPIJ NV	Roeselare, 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
VERLAG DEUTSCHER TIERSCHUTZ-DIENST GMBH	Nürnberg, Germany	50.00%	joint venture
YELLOWBRICK NV	Schaarbeek, Belgium	35.00%	associate
REPROPRESS CVBA	Brussels, Belgium	29.51%	associate
50+ BEURS & FESTIVAL BV	Arnhem, The Netherlands	25.00%	joint venture
LIVING & MORE VERLAG GMBH - in liquidation	Augsburg, Germany	25.00%	joint venture
PROXISTORE NV	Mont-Saint-Guibert, Belgium	24.90%	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 for the year ended 31 December 2018 - Consolidated financial statements

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. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 15 May 2018, 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 2020. 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 22 consecutive periods.

REPORT ON 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 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 355,108 (000) EUR and the consolidated income statement shows a net result from continuing operations for the year then ended of 78,932 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as of 31 December 2018 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), as applicable in Belgium. In addition, we have applied the international standards on auditing, as made applicable by the IAASB to financial years ended on or after 15 December 2016, but not yet approved at national level. 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
Impairment of intangible assets	
In 2018 Roularta Media Group NV recognized 69 MEUR as impairment loss, of which 63 MEUR related to intangible assets and of which 6 MEUR related to intangible assets included in investments accounted for using the equity method. The impairment recorded in 2018 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 determination of the cash generating units, the key assumptions to the impairment test and the results of the impairment test are disclosed in Notes 1, 8 and 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, validation of the identified cash generating units, challenging main cash flow assumptions and robustness of forecasts. We assessed and challenged the business plans, the assumptions, the discount rate and methodologies used by the company, for example by assessing the historical accuracy of management's estimates, challenging the revenue forecasts used in comparison to recent performance and by challenging sensitivities in the company's valuation model. In addition, we assessed the fair value of the intangibles and 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, focusing on whether a reasonably possible change in assumptions or underlying business plans 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*.
Business combinations and discontinued operations	
Roularta Media Group NV announced in 2017 the disposal of the joint venture Medialaan NV, which was completed in 2018. Per 31 December 2018, the net result of discontinued operations amounts to 151 MEUR compared to the net result of continued operations of -72 MEUR. Moreover, Roularta Media Group NV completed the acquisition of 50% of the shares in Mediafin NV and acquired multiple Women Brands from Sanoma in 2018. The accounting for business combinations and discontinued operations 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 intangibles and the investments accounted for using the equity method. In addition, these transactions are of importance due to the accounting treatment of intangible assets and joint ventures in view of the recognition and derecognition criteria and the importance of disclosure requirements in compliance with IFRS. The business combinations and discontinued operations are disclosed in Notes 11, 12, 17, 33 and 34 to the consolidated financial statements.	Our audit procedures included, among others, the review and evaluation of the signed agreements of the acquisitions and the disposal, to validate proper accounting treatment. In relation to the disposal of the joint venture Medialaan NV, we have additionally validated that the derecognition criteria and the disclosure requirements in compliance with IFRS were met. We also validated the completeness of the result from discontinued operations. In relation to the business combination, we have validated as well that the control was obtained in 2018 and reviewed the completeness of all assets and liabilities acquired in the business combination. We have reviewed the accuracy of managements' assessments in relation to the purchase price allocation and the underlying consideration paid as well as the fair value of the assets and liabilities and validated the residual goodwill. We have included valuation and IFRS specialists in our team to assist us in these audit activities. 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. Further, we assessed the adequacy of the company's disclosure in Notes 11, 12, 17, 33 and 34 of the consolidated financial statements.

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 ensure that these were properly applied at year-end; • Reviewing the completeness of the sales rebates relating to revenue recorded at year-end including the period subsequent to year-end and prior to the issuance of the consolidated 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 preparation of 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory 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 consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium.

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 statutory 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 statutory 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 report unless law or regulation precludes any public disclosure about the matter.

OTHER LEGAL AND REGULATORY 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 on the consolidated financial statements.

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) as applicable in Belgium, 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 on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements

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 that same year and 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 annual report on the consolidated financial statements, i.e. page 5 till 8 (included) and page 25 till 31 (included) are 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.

The non-financial information as required by article 119, § 2 of the Companies Code, has been disclosed in the the directors' report on the consolidated financial statements that is part of section 'Statement on non-financial information', i.e. page 9 till 24 (included) of the annual report. This non-financial information has been established by the company in accordance with the GRI-standards. In accordance with article 144, § 1, 6° of the Companies Code we do not express any opinion on the question whether this non-financial information has been established in accordance with these GRI-standards.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the Group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, 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.

Ghent, 12 April, 2019

The statutory auditor
DELOITTE Bedrijfsrevisoren/
Réviseurs d'Entreprises CVBA/SCRL
Represented by
Charlotte Vanrobaeys

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 21 May 2019, were approved by the board of directors of 8 April 2019.

Appropriation of the result

The profit for the financial year 2018 available for appropriation is 186,971,925.15 euros compared to a loss of -13,212,082.24 euros for the financial year 2017.

Taking into account the profit carried forward of the previous year of 34,299.17 euros, the profit to be appropriated for the financial year 2018 amounts to 187,006,224.32 euros.

The board of directors proposes to the general meeting to distribute a gross dividend of 5.50 euros per share for the full year 2018. Taking into account the gross interim dividend of 5.00 euros per share paid in July 2018, the gross final dividend amounts to 0.50 euro per share. This means a net final dividend of 0.35 euro per share (after 30% of withholding tax).

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

On the date of the annual report, the company had 596,935 own shares in its portfolio. In the context of the appropriation of results shown below, it was assumed that 12,544,188[1] shares are entitled to a dividend. If between the date this annual report was prepared and the general meeting to be held on 21 May 2019 there are additional personnel who exercise their Roularta share options, this will have an impact on the number of shares entitled to a dividend and the amount of the compensation to capital can still change.

Appropriation of profit

We propose to give the result the following appropriation:

A. Profit to be appropriated	187,006,224.32
• profit of the year	186,971,925.15
• retained profit of previous year	34,299.17
B. Transfers to capital and reserves:	
• to other reserves	118,000,000.00
C. Result to be carried forward	20,690.32
D. Profit to be distributed	
• return on capital	68,985,534.00[2]

If the general meeting accepts this proposal for appropriation of the profit, the final dividend will become payable from 3 June 2019 (= pay date) onwards. ING will be appointed as paying agent.

(1) Total of shares issued 13,141,123 minus 596,935 own shares.
(2) Calculated on the basis of the gross interim dividend 62,713,440.00 (calculated on the basis of 12,542,688 shares entitled to a dividend) + the gross final dividend 6,272,094.00 (calculated on the basis of 12,544,188 shares entitled to a dividend).

CONDENSED STATUTORY INCOME STATEMENT

Condensed statutory income statement	in thousands of euros	2018	2017
Operating income		274,243	260,493
Operating charges		-278,048	-266,910
Operating profit / loss		**-3,805**	**-6,417**
Financial income		210,502	13,022
Financial charges		-19,321	-19,714
Profit (loss) for the period before taxes		**187,376**	**-13,109**
Income taxes		-404	-104
Profit (loss) for the period		**186,972**	**-13,213**
Profit (loss) for the period available for appropriation		**186,972**	**-13,213**

Appropriation account	in thousands of euros	2018	2017
Profit (loss) to be appropriated		**187,006**	**-744**
Profit (loss) for the period available for appropriation		186,972	-13,212
Profit (loss) brought forward		34	12,468
Transfers from capital and reserves		**0**	**779**
From reserves			779
Transfers to capital and reserves		**-118,000**	
To other reserves		118,000	
Result to be carried forward		**-21**	**-34**
Profit (loss) to be carried forward		21	34
Distribution of profit		**-68,985**	**0**
Dividends		68,985	0

CONDENSED STATUTORY BALANCE SHEET AFTER APPROPRIATION

ASSETS	in thousands of euros	2018	2017
Fixed assets		**174,219**	**167,171**
Intangible assets		59,784	29,894
Tangible assets		33,032	33,221
Financial assets		81,403	104,056
Current assets		**179,915**	**134,860**
Amounts receivable after more than one year		219	800
Stocks and contracts in progress		6,281	5,523
Amounts receivable within one year		71,078	74,129
Investments		43,447	16,142
Cash at bank and in hand		56,455	35,233
Deferred charges and accrued income		2,435	3,033
Total assets		**354,134**	**302,031**

LIABILITIES	in thousands of euros	2018	2017
Capital and reserves		**218,959**	**100,973**
Capital		80,000	80,000
Share premium account		304	304
Legal reserve		8,000	8,000
Reserves not available for distribution		8,446	11,142
Untaxed reserves		1,207	1,207
Reserves available for distribution		120,981	286
Profit (loss) carried forward		21	34
Provisions and deferred taxation		**10,770**	**6,433**
Creditors		**124,405**	**194,625**
Amounts payable after more than one year		37	4,322
Amounts payable within one year		117,581	182,922
Accrued charges and deferred income		6,787	7,381
Total liabilities		**354,134**	**302,031**

Readers, distribution, visitors

LOCAL NEWSPAPER

Krant van West-Vlaanderen[*]:
333,198 CIM readers,
distribution 58,615 copies

NEWS MAGAZINES

Knack[*]:
484,830 CIM readers,
distribution 94,052 copies

Le Vif/L'Express[*]:
330,550 CIM readers,
distribution 53,566 copies

Knack Weekend:
376,147 CIM readers,
distribution 92,389 copies

Le Vif Weekend:
175,295 CIM readers,
distribution 52,701 copies

Knack Focus:
274,991 CIM readers,
distribution 91,978 copies

Focus Vif:
124,224 CIM readers,
distribution 52,347 copies

BUSINESS NEWS MAGAZINE

Trends[*]:
256,154 CIM readers,
distribution 56,566 copies

SPORTS NEWS MAGAZINE

Sport/Voetbalmagazine[*]:
496,657 CIM readers,
distribution 37,180 copies

SENIOR MAGAZINES

Plus Belgium:
383,389 CIM readers,
distribution 117,387 copies

Plus The Netherlands[**]:
814,000 readers,
distribution 232,454 copies

Landleven[**]:
587,000 readers,
distribution 97,827 copies

Plus Germany:
1,000,000 readers,
distribution 149,000 copies

PEOPLE MAGAZINE

Télépro:
330,373 CIM readers,
distribution 112,784 copies

LIFESTYLE MAGAZINES

Bodytalk:
332,183 CIM readers,
distribution 149,921 copies

Libelle:
722,631 CIM readers,
distribution 153,166 copies

Libelle Lekker:
513,371 CIM readers,
distribution 24,808 copies

Femmes d'Aujourd'hui:
323,746 CIM readers,
distribution 61,608 copies

Flair NL:
398,006 CIM readers,
distribution 35,642 copies

Flair FR:
232,638 CIM readers,
distribution 20,333 copies

Feeling:
275,416 CIM readers,
distribution 40,688 copies

GAEL:
162,242 CIM readers,
distribution 22,772 copies

La Maison Victor:
105,981 CIM readers,
distribution 16,026 copies

[*] Print + Digital
[**] NOM Media 2017/Q4 up to 2018/Q3
[***] Publisher info

Source Distribution: CIM Declaration of honour 2018 - Source Readers: CIM 2017-2018 - Source: CIM Internet study, 2018

ROULARTA B2B

Artsenkrant/
Le journal du Médecin:
distribution 25,538 copies
Data News:
65,307 CIM readers,
distribution 27,101 copies
Grafisch Nieuws[***]:
distribution 5,200 copies

LOCAL INFORMATION MEDIA

Deze Week:
1,480,968 CIM readers,
distribution 2,520,223 copies
De Zondag:
1,619,774 CIM readers,
distribution 499,148 copies

CITY MAGAZINE

Steps:
402,918 CIM readers,
distribution 237,611 copies

WEBSITES

Knack.be/LeVif.be websites:
1,714,760 real users,
4,322,694 unique visitors per month
(17,903,465 page views)
Knack.be/LeVif.be News:
874,861 real users,
1,996,197 unique visitors per month
(6,904,561 page views)
Trends.be:
744,614 real users,
1,275,015 unique visitors per month
(5,514,310 page views)
Weekend.be:
329,163 real users,
557,132 unique visitors per month
(2,030,968 page views)
Datanews.be:
115,937 real users,
180,310 unique visitors per month
(460,537 page views)
Plusmagazine.be:
138,885 real users,
216,085 unique visitors per month
(491,185 page views)
Flair:
866,655 real users,
2,952,918 unique visitors per month
(7,455,200 page views)
Libelle/Femmes d'Aujourd'hui:
912,718 real users,
2,414,085 unique visitors per month
(7,757,956 page views)
Libelle Lekker:
641,984 real users,
1,329,176 unique visitors per month
(4,286,599 page views)
Libelle Mama/
Femmes d'Aujourd'hui Maman:
259,610 real users,
627,757 unique visitors per month
(1,257,834 page views)
Feeling/GAEL:
264,290 real users,
495,532 unique visitors per month
(1,416,209 page views)

KW.be:
272,597 real users,
536,557 unique visitors per month
(1,975,371 page views)
Immovlan.be:
765,106 real users,
1,657,290 unique visitors per month
(13,564,517 page views)
Gocar.be:
498,227 real users,
1,223,462 unique visitors per month
(8,931,242 page views)

REAL USERS

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

FINANCIAL CALENDAR

General Meeting 2018	**21 May 2019**
Half year 2019 results	14 August 2019
Full year 2019 results	6 March 2020
General Meeting 2019	**19 May 2020**

INVESTOR RELATIONS

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