Press release

25 August 2014

Regulated information EMBARGO – 25 August 2014, 08.15 CET Roularta Media Group

Results first half of 2014

Note on accounting change

From 1 January 2014 the new accounting standard IFRS 11 is applied. Under this new standard, the joint ventures are now consolidated by the equity method in place of the proportionate consolidation method. Hereinafter, all references to **'consolidated' figures** always relate to the official data with IFRS 11 applied.
However, to ensure continuity of information on underlying operational performance and in accordance with IFRS 8, the financial data by segment is given in the form of **'combined' figures**, including Roularta Media Group's pro rata share in the joint ventures, after elimination of intra-group elements, according to the proportionate consolidation method.

1. Financial key figures for the first half of 2014

Consolidated key figures (see annexe 1)

in thousands of euros	30/06/14	30/06/13	Trend	Trend (%)
Sales	241,384	254,096	-12,712	-5.0%
Adjusted sales (1)	238,490	254,096	-15,606	-6.1%
EBITDA (2)	8,158	12,362	-4,204	-34.0%
REBITDA	18,946	16,718	+2,228	+13.3%
REBITDA – margin	*7.8%*	*6.6%*		
EBIT (3)	7,022	-3,399	+10,421	+306.6%
REBIT	13,006	11,393	+1,613	+14.2%
Net result of RMG	2,466	-6,676	+9,142	+136.9%
Current net result	7,814	7,239	+575	+7.9%

(1) Adjusted sales = sales on a like-on-like basis with 2013, excluding changes in the consolidation scope.
(2) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.
(3) EBIT = operating result, share in the result of associated companies and joint ventures included.

(Adjusted) SALES are down, the main falls being in advertising sales and in other revenue.

REBITDA is up on last year despite lower sales, owing to lower costs following restructuring.

EBITDA was negatively impacted by EUR 7.2 million of restructuring costs (H1 2013: EUR 3.4 million of restructuring costs) and by 3.8 million of exceptional expenses in joint ventures accounted for by the equity method.

REBIT has evolved in line with REBITDA.

In H1 2013, EBIT was negatively affected by the setting up of a EUR 10.7 million provision for restructuring in France (PSE redundancy plan). In the first half of 2014, a EUR 4.9 million net reversal of the provision for restructuring costs was carried out.

CURRENT NET RESULT improves by EUR 0.6 million, after a higher tax charge.

Combined key figures (applying the proportional consolidation method for joint ventures)

in thousands of euros	30/06/14	30/06/13	Trend	Trend (%)
Sales	337,970	348,846	-10,876	-3.1%
Adjusted sales (1)	336,326	347,035	-10,709	-3.1%
EBITDA (2)	20,640	19,795	+845	+4.3%
REBITDA	27,702	24,468	+3,234	+13.2%
REBITDA – margin	*8.2%*	*7.0%*		
EBIT (3)	11,352	1,884	+9,468	+502.5%
REBIT	19,330	16,832	+2,498	+14.8%
Net result of RMG	2,466	-6,676	+9,142	+136.9%
Current net result	7,814	7,239	+575	+7.9%

(1) Adjusted sales = sales on a like-on-like basis with 2013, excluding changes in the consolidation scope.
(2) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.
(3) EBIT = operating result, share in the result of associated companies included.

(Adjusted) SALES are down in Printed Media, while Audiovisual Media posts a (limited) increase.

REBITDA is up on last year despite lower sales, owing to lower costs following restructuring.

EBITDA was negatively impacted by EUR 7.2 million of restructuring costs (H1 2013: EUR 3.4 million of restructuring costs).

REBIT has evolved in line with REBITDA.

In H1 2013, EBIT was negatively affected by the setting up of a EUR 10.7 million provision for restructuring in France (PSE redundancy plan). In the first half of 2014, a EUR 4.9 million net reversal of the provision for restructuring costs was carried out. Negative impacts on EBIT in H1 2014 include an additional provision for games of chance and an impairment charge on German titles following their sale.

CURRENT NET RESULT improves by EUR 0.6 million, after a higher current tax charge.

2. Analysis of the combined figures of the Group

2.1 Combined sales

Roularta Media Group posted combined sales in the first half of 2014 of EUR 338.0 million, against EUR 348.8 million in the first half of 2013. This represents a decrease in sales of 3.1%.

Breakdown of the combined sales by segment:

in thousands of euros	Printed Media			Audiovisual Media			Intersegment elimination		Combined total		
	30/06/14	30/06/13	Trend	30/06/14	30/06/13	Trend	30/06/14	30/06/13	30/06/14	30/06/13	Trend
Sales of the segment	254,705	267,822	-13,117	83,826	83,337	489	-561	-2,313	337,970	348,846	-10,876
Sales to external customers	*254,460*	*266,695*	*-12,235*	*83,510*	*82,151*	*1,359*			*337,970*	*348,846*	*-10,876*
Sales with other segments	*245*	*1,127*	*-882*	*316*	*1,186*	*-870*	*-561*	*-2,313*	*0*	*0*	*0*

Sales Printed Media

Sales by the Printed Media division fell by 4.9%, from EUR 267.8 million to EUR 254.7 million. Eliminating the sales from barter agreements, sales decreased by 3.9%.

Adjusted sales in the first half of 2014 amounted to EUR 253.3 million, down 5.4%. Eliminating the sales from barter agreements, adjusted sales decreased by 4.5%.

Advertising

Adjusted magazine advertising sales reduced by 12.7% on falling sales in France, owing, among other things, to the discontinuation of the magazine L'Entreprise and the merger of Maison Magazine and Maison Française.

Advertising in the free magazines decreased by 3.6% compared with the first half of 2013. This decrease was felt most at De Streekkrant/De Weekkrant and at De Zondag. Advertising revenue at the free lifestyle monthly magazine Steps remained stable (+2.6%).

Advertising revenue at Krant van West-Vlaanderen increased slightly (+4.6%).

Advertising Internet

Revenues from the various Internet sites continue to grow. Adjusted sales were up by 8.9% in the first half of 2014.

Readers' market

Revenue from the readers' market (newsstand sales and subscriptions) was down by 2.4% compared with the first half of 2013. This decrease is mainly situated on the French market, while for Belgian titles, revenue from the readers' market increased compared with the first half of 2013.

Typesetting and printing

Third party typesetting and printing fell by 7.5% compared with H1 2013.

Exhibitions and seminars

Revenues from fairs and seminars are almost unchanged compared with the first half of 2013.

Sales Audiovisual Media
Sales by the Audiovisual Media remained stable, from EUR 83.3 million to EUR 83.8 million. Eliminating the sales from barter agreements, sales increased by 3.3%.
Adjusted sales, taking into account the sale of Paratel in the first half of 2013, were up by 2.6%.

Advertising
Advertising revenue (including barter deals) at the TV and radio stations decreased in the first half by 5.9%. Excluding barter deals, these revenues decreased by 3.2%, owing mainly to the general decline of the commercial TV market.

Other income
Adjusted sales from other income-producing activities including line extensions, video on demand, rights and audiovisual productions increased by 44.1%.

2.2 Breakdown of the combined (R)EBIT(DA) by segment

in thousands of euros	Printed Media			Audiovisual Media			Combined total		
	30/06/14	30/06/13	Trend	30/06/14	30/06/13	Trend	30/06/14	30/06/13	Trend
REBITDA	11,044	8,929	2,115	16,658	15,539	1,119	27,702	24,468	3,234
EBITDA	4,187	5,360	-1,173	16,453	14,435	2,018	20,640	19,795	845
REBIT	4,881	3,347	1,534	14,449	13,485	964	19,330	16,832	2,498
EBIT	2,108	-10,629	12,737	9,244	12,513	-3,269	11,352	1,884	9,468

Printed Media
REBITDA (current operating cash flow) increased from EUR 8.9 million to EUR 11.0 million (up 23.7%). Operating cash flow (EBITDA) decreased from EUR 5.4 million to EUR 4.2 million.
A current operating result (REBIT) of EUR 4.9 million was achieved compared with EUR 3.3 million in H1 2013. Operating result (EBIT) decreased from EUR -10.6 million to EUR 2.1 million.

Despite the revenue decline, there is an improvement in REBITDA, reflecting a reduction in the cost of miscellaneous goods and services and personnel costs, due also to the past restructuring.

The restructuring costs at Printed Media in the first half of 2014 (EUR 7.2 million) negatively impact EBITDA. EUR 5.8 million of these restructuring costs relate to the French subsidiary Groupe Express-Roularta, principally in the form of severance pay under the 2013 social plan (PSE - Plan de Sauvegarde de l'Emploi). In the first half of 2013, there were EUR 3.4 million of restructuring costs.

The improvement in REBITDA also produces a better REBIT.
The restructuring costs under the social plan in France in the first half of 2014 are offset by a reversal of the provision created for this purpose in 2013, and therefore do not impact EBIT at the end of June 2014. This is, however, adversely affected by new provisions for severance pay (EUR 1.0 million) and an impairment charge on German titles following their sale. The creation of a restructuring provision of EUR 10.4 million net in 2013 (of which 10.7 million for the PSE) produced a negative EBIT (EUR -10.6 million).

Audiovisual Media
Current operating cash flow (REBITDA) increased from EUR 15.5 million to EUR 16.7 million (+7.2%). **Operating cash flow (EBITDA)** increased from EUR 14.4 million to EUR 16.5 million (+14.0%).
Current operating result (REBIT) rose from EUR 13.5 million to EUR 14.4 million (+7.1%) and **operating result (EBIT)** fell from EUR 12.5 million to EUR 9.2 million.

A REBIT margin of 17.2% was achieved compared with 16.2% in H1 2013.

The decrease in the cost of services and other goods improves (R)EBITDA on almost identical sales revenues, despite the rise in distribution costs.

EBIT was negatively impacted in the first half of 2014 by the setting up of provisions, including an additional provision for games of chance.

2.3 Combined net result of the consolidated companies

The combined net result evolves from EUR -6.9 million in H1 2013 to EUR 2.2 million in H1 2014.
The combined current net result of the consolidated companies evolves from EUR 7.2 million in H1 2013 to EUR 7.8 million in H1 2014.

Breakdown of the combined net result by segment:

	Printed Media			Audiovisual Media			Combined total		
	30/06/14	30/06/13	Trend	30/06/14	30/06/13	Trend	30/06/14	30/06/13	Trend
Net result	-3,537	-14,831	11,294	5,780	7,922	-2,142	2,243	-6,909	9,152
Current net result	-1,401	-1,515	114	9,215	8,754	461	7,814	7,239	575

Printed Media
The **net result of the Printed Media division** was EUR -3.5 million as against EUR -14.8 million in H1 2013, with a **current net result** of EUR -1.4 million compared with EUR -1.5 million in H1 2013. The French activities still depress results, despite the ongoing restructuring.

Net financing costs decreased by EUR 0.6 million, including a 0.5 million decrease in the cost of debt reflecting the reduction in financial debt.

The tax expense has, however, increased by EUR 2 million. No deferred tax assets have been recognised on the losses of the French companies, and the taxable income of the (mainly Belgian) companies has increased.

In this way the net current result has risen just EUR 0.1 million compared to the first half of 2013, despite a EUR 1.5 million increase in REBIT.

Audiovisual Media
The **net result of the Audiovisual Media division** was EUR 5.8 million as against EUR 7.9 million in H1 2013, with a **current net result** of EUR 9.2 million compared with EUR 8.8 million.

3. Balance sheet

Equity at 30 June 2014 was EUR 300.4 million compared with EUR 298.5 million at 31 December 2013.

At 30 June 2014 the Group's **net financial debt**[1] stood at EUR 68.6 million, compared with EUR 80.4 million at 31 December 2013. Bank debts are decreasing.

The solvency ratio (equity/balance sheet total) amounts 38.1%.

4. Investments (capex)

Total investments in the first half of 2014 amounted to EUR 3.9 million, of which EUR 1.7 million in intangible assets (mainly software), EUR 1.4 million in fixed assets and EUR 0.7 million in acquisitions.

5. Half-year financial report

A full report on the half-year results can be found on our website www.roularta.be/en/investor info under Financial > Quarterly Information > 30-06-2014 > Half-year financial report.

6. Significant events in the first half of 2014 and after

- In France, smaller restructuring exercises are continuing. Restructuring under the social plan (PSE - Plan de Sauvegarde de l'Emploi) is in progress. The full positive effects of this will not be visible until the end of 2015.
- Roularta Media Group reached an agreement on 9 January 2014 with its English co-shareholder UBM to acquire all the shares of NV ActuaMedica, in which it already had a 50% stake.
- Roularta Business Leads NV, formerly a joint venture, came on 4 March 2014 into full Roularta Media Group ownership.
- In early July 2014, Roularta Media Group took part in a new capital increase for Proxistore for an amount of EUR 1.1 million, in a fundraising by the current shareholders (including Roularta), private investors and the Brussels Regional Investment Company (BRIC), for a total amount of EUR 2.7 million. This operation is aimed at opening subsidiaries in the Netherlands, England, Spain, Italy, Switzerland, Canada and the United States, including New York and San Francisco.

7. Prospects

The advertising portfolio for the second half in Belgium shows (compared to the portfolio at the same time in 2013), a slight sales increase for the print and Internet activities and stable sales in Audiovisual Media. The readers' market is stable thanks to the subscriptions.
Continuing attention is being paid to cost control.
With 'Digilocal', the Free Press division is developing a new business in the field of Internet service.
In France, there is still no market revival, but Groupe Express-Roularta is reducing costs through restructuring and reorganisation. Notwithstanding the disappointing sales figures, the cash flow as modelled in the long-term plan appears attainable.

8. Auditor's report

The consolidated interim financial information was subject to a review by the statutory auditor. The statutory auditor has issued a conclusion without qualifications and has confirmed that the financial information included in the press release corresponds with the consolidated interim financial information.*

** For a full version of the report on the limited review, we refer the reader to the interim consolidated financial statements (IAS 34), which are available on our website www.roularta.be under Investor Info > Financial > Quarterly Information > 30-06-2014 > Half-yearly financial report (available as from 25 August 2014).*

1 *Net financial debt = financial debts less current cash.*

Annexes

1. Consolidated key figures

Income statement	in thousands of euros	30/06/14	30/06/13 restated	Trend
Sales		**241,384**	**254,096**	**-5.0%**
***Adjusted sales* [1]**		***238,490***	***254,096***	***-6.1%***
EBITDA (Operating cash flow) [2]		**8,158**	**12,362**	**-34.0%**
	EBITDA - margin	*3.4%*	*4.9%*	
REBITDA [3]		**18,946**	**16,718**	**+13.3%**
	REBITDA - margin	*7.8%*	*6.6%*	
EBIT [4]		**7,022**	**-3,399**	**+306.6%**
	EBIT - margin	*2.9%*	*-1.3%*	
REBIT [5]		**13,006**	**11,393**	**+14.2%**
	REBIT - margin	*5.4%*	*4.5%*	
Net finance costs		-3,302	-3,832	-13.8%
Operating result after net finance costs		**3,720**	**-7,231**	**+151.4%**
Current operating result after net finance costs		**9,704**	**7,561**	**+28.3%**
Income taxes		-1,477	322	+558.7%
Net result of the consolidated companies		**2,243**	**-6,909**	**+132.5%**
Attributable to minority interests		-223	-233	
Attributable to equity holders of RMG		**2,466**	**-6,676**	**+136.9%**
	Net result attributable to equity holders of RMG - margin	*1.0%*	*-2.6%*	
Current net result of the consolidated companies		**7,814**	**7,239**	**+7.9%**
	Current net result of the consolidated companies - margin	*3.2%*	*2.8%*	
Number of employees at closing date [6]		2,178	2,245	-3.0%

Consolidated key figures per share	in euro			
EBITDA		0.65	0.99	
REBITDA		1.52	1.34	
EBIT		0.56	-0.27	
REBIT		1.04	0.91	
Net result attributable to equity holders of RMG		0.20	-0.53	
Net result attributable to equity holders of RMG after dilution		0.20	-0.53	
Current net result of the consolidated companies		0.63	0.58	
Weighted average number of shares		12,483,273	12,483,273	
Weighted average number of shares after dilution		12,483,273	12,483,273	

(1) Adjusted sales = like-for-like, i.e. adjusted for changes in the consolidation scope.
(2) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.
(3) REBITDA = current operating cash flow = EBITDA + restructuring costs and one-off costs.
(4) EBIT = operating result (share in the result of associated companies and joint ventures included).
(5) REBIT = current operating result = EBIT + restructuring costs and one-off costs, depreciations, write-downs and provisions.
(6) Joint ventures not included.

Balance sheet	**in thousands of euros**	**30/06/14**	**31/12/13 restated**	**Trend**
Non-current assets		590,836	585,039	+1.0%
Current assets		198,571	193,991	+2.4%
Balance sheet total		789,407	779,030	+1.3%
Equity - Group's share		289,356	287,053	+0.8%
Equity - minority interests		11,018	11,415	-3.5%
Liabilities		489,033	480,562	+1.8%
Liquidity (7)		0.8	0.9	-11.1%
Solvency (8)		38.1%	38.3%	-0.5%
Net financial debt		68,596	80,423	-14.7%
Gearing (9)		22.8%	26.9%	-15.2%

(7) Liquidity = current assets / current liabilities.
(8) Solvency = equity (Group's share + minority interests) / balance sheet total.
(9) Gearing = net financial debt / equity (Group's share + minority interests).

2. Combined key figures by segment

		Printed Media	
Income statement — **in thousands of euros**	**30/06/14**	**30/06/13**	**Trend**
Sales	**254,705**	**267,822**	**-4.9%**
Adjusted sales (1)	***253,258***	***267,822***	***-5.4%***
EBITDA (Operating cash flow) (2)	**4,187**	**5,360**	**-21.9%**
EBITDA - margin	*1.6%*	*2.0%*	
REBITDA (3)	**11,044**	**8,929**	**+23.7%**
REBITDA - margin	*4.3%*	*3.3%*	
EBIT (4)	**2,108**	**-10,629**	**+119.8%**
EBIT - margin	*0.8%*	*-4.0%*	
REBIT (5)	**4,881**	**3,347**	**+45.8%**
REBIT - margin	*1.9%*	*1.2%*	
Net finance costs	-3,184	-3,742	-14.9%
Operating result after net finance costs	**-1,076**	**-14,371**	**+92.5%**
Current operating result after net finance costs	**1,697**	**-395**	**+529.6%**
Income taxes	-2,461	-460	+435.0%
Net result of the consolidated companies	**-3,537**	**-14,831**	**+76.2%**
Attributable to minority interests	-223	-206	
Attributable to equity holders of RMG	**-3,314**	**-14,625**	**+77.3%**
Net result attributable to equity holders of RMG - margin	*-1.3%*	*-5.5%*	
Current net result of the consolidated companies	**-1,401**	**-1,515**	**+7.5%**
Current net result of the consolidated companies - margin	*-0.6%*	*-0.6%*	

(1) Adjusted sales = like-for-like, i.e. adjusted for changes in the consolidation scope.
(2) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.
(3) REBITDA = current operating cash flow = EBITDA + restructuring costs and one-off costs.
(4) EBIT = operating result (share in the result of associated companies included).
(5) REBIT = current operating result = EBIT + restructuring costs and one-off costs, depreciations, write-downs and provisions.

Income statement	in thousands of euros	Audiovisual Media 30/06/14	30/06/13	Trend
Sales		**83,826**	**83,337**	**+0.6%**
Adjusted sales (1)		***83,631***	***81,504***	***+2.6%***
EBITDA (Operating cash flow) (2)		**16,453**	**14,435**	**+14.0%**
	EBITDA - margin	*19.6%*	*17.3%*	
REBITDA (3)		**16,658**	**15,539**	**+7.2%**
	REBITDA - margin	*19.9%*	*18.6%*	
EBIT (4)		**9,244**	**12,513**	**-26.1%**
	EBIT - margin	*11.0%*	*15.0%*	
REBIT (5)		**14,449**	**13,485**	**+7.1%**
	REBIT - margin	*17.2%*	*16.2%*	
Net finance costs		-166	-184	-9.8%
Operating result after net finance costs		**9,078**	**12,329**	**-26.4%**
Current operating result after net finance costs		**14,283**	**13,301**	**+7.4%**
Income taxes		-3,298	-4,407	-25.2%
Net result of the consolidated companies		**5,780**	**7,922**	**-27.0%**
Attributable to minority interests		0	-27	
Attributable to equity holders of RMG		**5,780**	**7,949**	**-27.3%**
	Net result attributable to equity holders of RMG - margin	*6.9%*	*9.5%*	
Current net result of the consolidated companies		**9,215**	**8,754**	**+5.3%**
	Current net result of the consolidated companies - margin	*11.0%*	*10.5%*	

(1) Adjusted sales = like-for-like, i.e. adjusted for changes in the consolidation scope.
(2) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.
(3) REBITDA = current operating cash flow = EBITDA + restructuring costs and one-off costs.
(4) EBIT = operating result (share in the result of associated companies included).
(5) REBIT = current operating result = EBIT + restructuring costs and one-off costs, depreciations, write-downs and provisions.

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