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## PRESS RELEASE

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# ROULARTA MEDIA GROUP POSTS ATTRACTIVE THIRD QUARTER EARNINGS

### Consolidated Q3 2006 results

In the third quarter of 2006, which includes the summer months with their traditionally lower sales and profits, the group again posted growth figures compared with the same period in 2005.

In both the Printed Media and the Audiovisual media divisions sales rose by 11.2% and 8.4% respectively to give total group sales of EUR 112.1 million as against EUR 101.5 million in Q3 2005 (+ 10.4%)

EUR 6.9 million of this total EUR 10.6 million turnover growth came from acquisitions and EUR 3.7 million from further growth of existing activities (EUR 1.2 million from the Printed Media division and EUR 2.5 million from Audiovisual Media).

EBITDA rose from EUR 6.6 to EUR 10.5 million and operating profit (EBIT) doubled from EUR 2.6 to 5.3 million, raising the respective margins from 6.5% to 9.4% (EBITDA) and from 2.6% to 4.7% (EBIT).

In the development of the divisions we see a significant improvement in the results of Audiovisual Media, that has moved from a negative EBIT of EUR 1.6 million in Q3 2005 to a profit of EUR 1.2 million in Q3 2006.

EBIT at the Printed Media division dipped slightly from EUR 4.2 to 4.1 million, following an extraordinary impairment loss of EUR 0.2 million on titles and a EUR 0.2 million goodwill write-down at Point de Vue.

At the Printed Media division, tax pressure has increased with an extraordinary reversal of EUR 0.6 million of deferred tax assets (= additional expense).

Net Group profit increased by 42.8 % from EUR 1.4 to 1.9 million, giving a margin of 1.7% compared with 1.3% in Q3 2005.

Net current profit rose 65.9% from EUR 1.3 to 2.2 million and current cash flow by 35% from EUR 5.4 to 7.2 million.

## **Financial highlights for the first nine months of 2006**

- **Sales** rose by 10.6% from EUR 353.8 million to EUR 391.3 million.
  - *The comparisons with 2005 figures given below omit the EUR 2.1 million capital gain from the sale of the shareholding in Plopsaland in the first quarter of 2005.*
  - **EBITDA** rose by 18.2% from EUR 37.2 million to EUR 44.0 million, giving a margin of 11.2% compared with 10.5% for the first nine months of 2005.
  - **EBIT** increased by 15.6% from EUR 25.9 million to EUR 29.9 million. EBIT margin is 7.6% compared with 7.3% for the first three quarters of 2005.
  - **Net Group profit** increased by 15.6% from EUR 13.6 to EUR 15.7 million, giving a margin of 4.0% compared with 3.8% for the first nine months of 2005.
  - **Net current profit** rose by 22.1% from EUR 13.7 million to EUR 16.8 million.
  - **Current cash flow** rose by 21.7% from EUR 24.9 million to EUR 30.4 million.
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- **Earnings per share** fell slightly from EUR 1.62 for the nine months to 30 September 2005 to EUR 1.48 in the same period in 2006. This decrease reflects the extraordinary capital gain of EUR 0.21 per share for the period to 30.09.05 from the sale of the Plopsaland shareholding in 2005, and the dilutive effect of the capital increases (exercise of warrants and the capital increase of approximately EUR 50 million in February 2006).

## **Results for the first nine months of 2006 by division**

### **PRINTED MEDIA**

Compared with the first nine months of 2005, sales by the Printed Media division rose by EUR 29.2 million from EUR 242.9 to 272.1 million (+12%). EUR 21.3 million of this increase is due, among other things, to the acquisitions of Point de Vue, A Nous Paris and 't Fonteintje-De Wegwijzer. On top of this sales of existing products increased by 3.3%.

Revenue from our freesheets rose by 12.6%, due to the acquisitions in Belgium and France and further growth of De Streekkrant/De Weekkrant, De Zondag and the Steps City Magazines in Belgium and abroad.

Advertising revenue at the Krant van West-Vlaanderen rose 13.5%.

Advertising income from the magazines also rose by 3.8%, of which 1.8% from new acquisitions and 2% from existing titles. Most of this growth came at the start of the year.

The readers' market advanced by 29.9%, 26.1% from acquisitions (primarily Point de Vue) and 3.8% from growth of existing titles.

Operating profit (EBIT) rose by 14.6% from EUR 20.2 to 23.1 million, giving a margin of 8.5% compared with 8.3% in the nine months to 30.9.2005. EBITDA grew from EUR 28.6 to 33.9 million (18.4 %).

Net Group profit was EUR 11.8 million against EUR 10.6 million in the nine months to 30.9.2005 (+10.8%).

The above results were negatively influenced by EUR 0.6 million of goodwill write-downs at Point de Vue, a EUR 0.5 million extraordinary impairment loss on titles and an extraordinary reversal of deferred tax assets (= additional cost) in an amount of EUR 1.1 million.

Owing, among other things, to better earnings at Roularta Printing, the profit appropriated to minority interests rose by EUR 0.5 million.

Net current profit rose from EUR 10.8 to 12.3 million (+14 %). Current cash flow rose 18.2% from EUR 19.1 to 22.5 million.

## **AUDIOVISUAL MEDIA**

Sales by the Audiovisual Media division rose from EUR 116.0 to 123.9 million (+ 6.8%). Most of this increase was achieved at Paratel and Vlaamse Media Maatschappij, but also at Kanaal Z/Canal Z and the regional TV and radio stations.

Leaving aside the EUR 2.1 million capital gain on the sale of Plopsaland in Q1 2005, EBIT rose from EUR 5.7 to 6.8 million. This latter figure includes the EUR 0.8 million of restructuring costs at VMMA that were recorded in 2006. EBITDA grew by 17.7 % from EUR 8.6 to 10.1 million. Net Group profit was EUR 4.0 million against EUR 3.0 million in the nine months to 30.9.2005 (+ 32.8%).

Net current profit rose from EUR 3.0 to 4.5 million (+ 51.2%). Current cash flow rose 33.4% from EUR 5.9 to 7.8 million.

## **Balance sheet**

On 26 September 2006 Roularta Media Group definitively acquired 100% of the shares of Groupe Express-Expansion. The assets and liabilities of GEE were therefore included in the consolidated balance sheet at 30 September 2006. The earnings will be included from the fourth quarter of 2006.

The increase in intangible assets is due to the inclusion of the Groupe Express-Expansion titles. Given that the fair value of these titles at acquisition date is higher than their carrying value, as required by IFRS 3, a deferred tax item was recorded in respect of the latent capital gains.

Equity at 30 September 2006 amounts to EUR 288.8 million compared with EUR 228.9 million at 31 December 2005. Capital was increased by EUR 51 million by various capital increases. Reserves have increased by a net EUR 7.7 million, being the balance of earnings for the first nine months of 2006 (EUR 15.7 million) less dividends paid (EUR 8 million).

Following the acquisition of Groupe Express-Expansion, the net financial debt amounts to EUR 195.2 million, giving a gearing ratio of 67.6%.

## **Investments (CAPEX)**

Total capex in the first nine months of 2006 amounted to EUR 200.5 million, with EUR 11.3 million spent on tangible and intangible fixed assets and EUR 189.2 million on acquisitions.

## **Changes in the composition of the group**

The following acquisitions and divestments affect the comparison between the first nine months figures for 2006 and 2005:

Sale of the shareholding in Plopsaland NV in Q1 2005.  
Acquisition of 50+ Beurs & Festival BV in Q3 2005;  
Increased shareholding in A Nous Paris SAS in Q4 2005;  
Acquisition of the Point de Vue group at the end of 2005 and of Studio's Amusement NV and 't Fonteintje-De Wegwijzer NV in Q1 2006;  
50% reduction in the shareholdings in A Nous Province SAS and Algo Communication SARL in Q1 2006;  
Sale of the shareholding in Publiregioes Lda Q2 2006;  
Acquisition of Groupe Express-Expansion in Q3 2006 (influencing only the balance sheet at 30 September 2006).

More detailed information is available on our website [www.roularta.be/en/investor info](http://www.roularta.be/en/investor_info) under Financial > Quarterly Information > 30-09-2006.

## **Outlook**

TV advertising income at Vlaamse Media Maatschappij took a first turn for the better in September 2006. Radio Q-Music continues its upward thrust. In 2007 even better results can be expected at VMMA thanks to adjustment of programming costs and slight growth in income, including radio and new 'digital' initiatives. The Roularta strategy, based on a multimedia approach, is bearing fruit.

For the printed media division in Belgium, the local market and the freesheets division are growing markedly and the magazine advertising market is stable.

In 2007 our French activities will represent close on 40 percent of RMG sales. Groupe Express-Expansion achieved in 2005 sales of more than EUR 200 million with an EBIT margin of 5 percent. This margin needs to be doubled in the next two to three years through cost reductions on the one hand and new developments on the other. Work groups have been started up to develop synergies in all parts of the organization.

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**ROULARTA MEDIA GROUP  
CONSOLIDATED KEY FIGURES**

in EUR '000	Q3/2005	Q3/2006	evolution	30/09/05	30/09/06	evolution
<b>INCOME STATEMENT</b>						
Sales (1)	101.492	112.085	+ 10,4%	353.830	391.312	+ 10,6%
Operating profit (EBIT)	2.647	5.290	+ 99,8%	27.972	29.896	+ 6,9%
Net finance costs	-414	-338	- 18,4%	-1.095	-851	- 22,3%
Operating profit after net finance costs	2.233	4.952	+ 121,8%	26.877	29.045	+ 8,1%
Income taxes	-1.017	-2.952	+ 190,3%	-11.101	-12.819	+ 15,5%
Net profit of the consolidated companies	1.216	2.000	+ 64,5%	15.776	16.226	+ 2,9%
Share in the result of the companies accounted for using the equity method	0	0		-5	-4	+ 20,0%
Minority interests	145	-57	+ 139,3%	-54	-493	+ 813,0%
Net profit of the Group	1.361	1.943	+ 42,8%	15.717	15.729	+ 0,1%
<b>Without capital gain Plopsaland in 2005</b>						
EBITDA	6.642	10.531	+ 58,6%	37.193	43.979	+ 18,2%
EBITDA (margin)	6,5%	9,4%		10,5%	11,2%	
EBIT	2.647	5.290	+ 99,8%	25.861	29.896	+ 15,6%
EBIT (margin)	2,6%	4,7%		7,3%	7,6%	
Net profit of the Group	1.361	1.943	+ 42,8%	13.606	15.729	+ 15,6%
Net profit of the Group (margin)	1,3%	1,7%		3,8%	4,0%	
Net current profit	1.345	2.231	+ 65,9%	13.728	16.761	+ 22,1%
Current cash flow	5.356	7.231	+ 35,0%	24.938	30.361	+ 21,7%
EBITDA	6.642	10.531	+ 58,6%	39.304	43.979	+ 11,9%
EBITDA (margin)	6,5%	9,4%		11,2%	11,2%	
EBIT	2.647	5.290	+ 99,8%	27.972	29.896	+ 6,9%
EBIT (margin)	2,6%	4,7%		8,0%	7,6%	
Net profit of the Group	1.361	1.943	+ 42,8%	15.717	15.729	+ 0,1%
Net profit of the Group (margin)	1,3%	1,7%		4,5%	4,0%	
Net current profit (2)	1.345	2.231	+ 65,9%	15.839	16.761	+ 5,8%
Current cash flow (3)	5.356	7.231	+ 35,0%	27.049	30.361	+ 12,2%
<b>CONSOLIDATED KEY FIGURES PER SHARE</b>						
EBITDA	0,68	0,98		4,06	4,14	
EBIT	0,27	0,49		2,89	2,81	
Net profit of the Group	0,14	0,18		1,62	1,48	
Net profit of the Group after dilution	0,14	0,18		1,59	1,46	
Net current profit	0,14	0,21		1,64	1,58	
Current cash flow	0,55	0,67		2,79	2,86	
Weighted average number of shares	9.704.073	10.780.821		9.682.045	10.629.589	
Weighted average number of shares after dilution	9.889.152	10.895.708		9.885.593	10.762.156	

<b>BALANCE SHEET</b>				31/12/05	30/09/06	evolution
Non current assets				274.242	639.838	+ 133,3%
Current assets				236.810	284.543	+ 20,2%
Balance sheet total				511.052	924.381	+ 80,9%
Equity - Group's share				215.616	274.931	+ 27,5%
Equity - minority interests				13.297	13.878	+ 4,4%
Liabilities				282.139	635.572	+ 125,3%
Liquidity (4)				1,1	0,7	- 36,4%
Solvency (5)				44,8%	31,2%	- 30,4%
Net financial debt				39.985	195.227	+ 388,3%
Gearing (6)				17,5%	67,6%	+ 286,3%
Return on equity (7)				10,3%	5,7%	
Number of employees at closing date (8) (9)				2.205	3.115	+ 41,3%

(1) Sales 2005: reclassification to sales of the remuneration for the signal of VMMA (YTD 3.285 KEUR, quarter 1.204 KEUR).

(2) Net current profit = net profit of the Group + impairment losses on titles and goodwill + restructuring costs, net of taxes.

(3) Current cash flow = net current profit + depreciation of (in)tangible assets, write-downs and provisions.

(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).

(7) Return on equity = net profit of the Group / equity (Group's share).

(8) Joint ventures proportionally included.

(9) Including 769 employees of Groupe Express-Expansion. GEE results will be consolidated starting in the fourth quarter of 2006.

**ROULARTA MEDIA GROUP**  
**CONSOLIDATED KEY FIGURES BY DIVISION**

	<b>PRINTED MEDIA</b>					
<b>in EUR '000</b>	<b>Q3/2005</b>	<b>Q3/2006</b>	<b>% evol.</b>	<b>30/09/05</b>	<b>30/09/06</b>	<b>evolution</b>
<b>INCOME STATEMENT</b>						
Sales	70.718	78.650	+ 11,2%	242.861	272.107	+ 12,0%
Operating profit (EBIT)	4.203	4.059	- 3,4%	20.190	23.143	+ 14,6%
Net finance costs	-316	-217	- 31,3%	-762	-467	- 38,7%
Operating profit after net finance costs	3.887	3.842	- 1,2%	19.428	22.676	+ 16,7%
Income taxes	-1.298	-2.341	+ 80,4%	-8.606	-10.184	+ 18,3%
Net profit of the consolidated companies	2.589	1.501	- 42,0%	10.822	12.492	+ 15,4%
Share in the profit of the companies accounted for using the equity method		0			-4	
Minority interests	188	-86	+ 145,7%	-193	-711	+ 268,4%
<b>Net profit of the Group</b>	<b>2.777</b>	<b>1.415</b>	<b>- 49,0%</b>	<b>10.629</b>	<b>11.777</b>	<b>+ 10,8%</b>
EBITDA	7.074	7.979	+ 12,8%	28.640	33.914	+ 18,4%
EBITDA (margin)	10,0%	10,1%		11,8%	12,5%	
EBIT	4.203	4.059	- 3,4%	20.190	23.143	+ 14,6%
EBIT (margin)	5,9%	5,2%		8,3%	8,5%	
Net profit of the Group	2.777	1.415	- 49,0%	10.629	11.777	+ 10,8%
Net profit of the Group (margin)	3,9%	1,8%		4,4%	4,3%	
Net current profit	2.762	1.656	- 40,0%	10.751	12.260	+ 14,0%
Current cash flow	5.648	5.335	- 5,5%	19.079	22.548	+ 18,2%

	<b>AUDIOVISUAL MEDIA</b>					
<b>in EUR '000</b>	<b>Q3/2005</b>	<b>Q3/2006</b>	<b>% evol.</b>	<b>30/09/05</b>	<b>30/09/06</b>	<b>evolution</b>
<b>INCOME STATEMENT</b>						
Sales (1)	32.126	34.819	+ 8,4%	115.995	123.915	+ 6,8%
Operating profit (EBIT)	-1.556	1.231	+ 179,1%	7.782	6.753	- 13,2%
Net finance costs	-98	-121	+ 23,5%	-333	-384	+ 15,3%
Operating profit after net finance costs	-1.654	1.110	+ 167,1%	7.449	6.369	- 14,5%
Income taxes	281	-611	+ 317,4%	-2.495	-2.635	+ 5,6%
Net profit of the consolidated companies	-1.373	499	+ 136,3%	4.954	3.734	- 24,6%
Share in the profit of the companies accounted for using the equity method	0	0		-5	0	
Minority interests	-43	29	- 167,4%	139	218	- 56,8%
<b>Net profit of the Group</b>	<b>-1.416</b>	<b>528</b>	<b>+ 137,3%</b>	<b>5.088</b>	<b>3.952</b>	<b>- 22,3%</b>
<b><u>Without capital gain Plopsaland in 2005</u></b>						
EBITDA	-432	2.552	+ 690,7%	8.553	10.065	+ 17,7%
EBITDA (margin)	-1,3%	7,3%		7,4%	8,1%	
EBIT	-1.556	1.231	+ 179,1%	5.671	6.753	+ 19,1%
EBIT (margin)	-4,8%	3,5%		4,9%	5,4%	
Net profit of the Group	-1.416	528	+ 137,3%	2.977	3.952	+ 32,8%
Net profit of the Group (margin)	-4,4%	1,5%		2,6%	3,2%	
Net current profit	-1.416	575	+ 140,6%	2.977	4.501	+ 51,2%
Current cash flow	-292	1.896	+ 749,3%	5.859	7.813	+ 33,4%
EBITDA	-432	2.552	+ 690,7%	10.664	10.065	- 5,6%
EBITDA (margin)	-1,3%	7,3%		9,2%	8,1%	
EBIT	-1.556	1.231	+ 179,1%	7.782	6.753	- 13,2%
EBIT (margin)	-4,8%	3,5%		6,7%	5,4%	
Net profit of the Group	-1.416	528	+ 137,3%	5.088	3.952	- 22,3%
Net profit of the Group (margin)	-4,4%	1,5%		4,4%	3,2%	
Net current profit	-1.416	575	+ 140,6%	5.088	4.501	- 11,5%
Current cash flow	-292	1.896	+ 749,3%	7.970	7.813	- 2,0%

(1) Sales 2005: reclassification to sales of the remuneration for the signal of VMMA (YTD 3.285 KEUR, Quarter 1.204 KEUR).