

Press release

ACTIVITIES REPORT THIRD QUARTER 2013

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Roularta Media Group announces that its sales revenues were down slightly (- 2.3%) in the third quarter of 2013 compared with the same period in 2012. Most of this decrease reflects the sale of the Paratel activities. Apart from this divestment, sales revenues stabilized, taking into account a number of new initiatives.

In Belgium total sales revenues did not decline. There are gainers and losers. Reduced sales revenues in free press, contract printing and to a lesser extent in magazine advertising were more than offset by the additional revenue from recent acquisitions and a marked increase in TV and radio advertising revenues.

The upturn in the Belgian readers' market has continued, but no such change is as yet visible in France. There fierce competition weighed further on advertising revenue and to a lesser extent on the readers' market.

The French restructuring plan (Plan de Sauvegarde de l'Emploi - PSE) is under way, with 94 voluntary redundancies.

The integration of new acquisitions Euro DB, Open Bedrijvendag, Proxistore, Yellowbrick and Flows (the successor to the transport industry newspaper De Lloyd) is proceeding very satisfactorily, and will in the near future contribute to further growth.

The annual CIM readership figures for newspapers and magazines were extremely positive for the Roularta Media Group publications.

The Paratel activities are now divested and the audiovisual markets have adapted to the arrival of VIER. Total TV advertising spending is up, with market shares changing only slightly.

SALES

In the **third quarter of 2013** Roularta Media Group posted consolidated sales of EUR 134.9 million, **down 2.3%** on the EUR 138.1 million recorded in Q3 2012.

After adjusting for changes in the Group¹, **sales were down 3.5%** compared with Q3 2012. In the Audiovisual Media division sales were up 7.8%, while the Printed Media division showed a decrease of 6.5%.

Adjusted sales for the 9 months to 30 September 2013 amount to EUR 477.9 million compared with EUR 507.3 million for the first nine months of 2012. This is a **fall of 5.8%**. The worst of this fall, as far as the Belgian market is concerned, took place in the first half. In France, the market continues to decline.

Efforts to diversify the activities of the existing brands are bearing fruit. The fall in Printed Media sales in Belgium in the third quarter is offset by these promising new activities.

(1) Changes in the Group are eliminated to arrive at an adjusted sales figure, i.e. a sales figure that is comparable with 2012. The changes in the Group relate to the new participations in Euro DB (B-information) and in Open Bedrijven and the sale of Paratel.

Consolidated sales by division (in KEUR)

Division	ADJUSTED SALES			CHANGES IN THE GROUP		CONSOLIDATED SALES		
	Q3/13	Q3/12	Trend	Q3/13	Q3/12	Q3/13	Q3/12	Trend
Printed Media	98,717	105,536	-6.5%	2,950		101,667	105,536	-3.7%
Audiovisual Media	34,780	32,250	7.8%		1,405	34,780	33,655	3.3%
Intersegment sales	-1,524	-1,066			-10	-1,524	-1,076	
Total	131,973	136,720	-3.5%	2,950	1,395	134,923	138,115	-2.3%

Division	ADJUSTED SALES			CHANGES IN THE GROUP		CONSOLIDATED SALES		
	30/09/13	30/09/12	Trend	30/09/13	30/09/12	30/09/13	30/09/12	Trend
Printed Media	363,660	388,055	-6.3%	5,829		369,489	388,055	-4.8%
Audiovisual Media	118,117	122,883	-3.9%		2,312	118,117	125,195	-5.7%
Intersegment sales	-3,837	-3,641			-10	-3,837	-3,651	
Total	477,940	507,297	-5.8%	5,829	2,302	483,769	509,599	-5.1%

THIRD QUARTER SALES BY DIVISION

PRINTED MEDIA

Sales turned down from EUR 105.5 million in Q3 2012 to EUR 101.7 million in Q3 2013 (-3.7%).

Typesetting and printing for third parties

In a declining market, typesetting and printing revenues decreased by 11.0% (EUR -0.9 million) compared with the third quarter of 2012.

Advertising

Advertising revenue from the magazines fell by an average 11.8% in the third quarter, mainly in France (-14%). Total free press turnover fell by 10.4%, due mainly to a further significant decline in job ads. At ActuaMedica (medical publications, including Artsenkrant and Specialistenkrant) revenues have fallen sharply with the absence of big budgets owing to the new generic drugs prescription requirements.

Internet

The various internet sites continue their upward trend, with revenues 11.5% higher than in Q3 2012. This increase is taking place in both Belgium and France.

Readers' market

Income from the readers' market (subscriptions and newsstand sales) fell by 1.1% compared to Q3 2012. There is a decrease in the French magazines, while for the Belgian magazines there is a slight increase and the latest CIM survey gives good results for the Roularta publications.

AUDIOVISUAL MEDIA

Compared with Q3 2012, adjusted sales (excluding Paratel) by the Audiovisual Media division increased from EUR 32.2 to 34.8 million (+ 7.8%).

Advertising

TV and radio advertising revenue raised by 9.2% during the third quarter.

Other revenue

Sales from other revenue-producing areas, including line extensions, SMS, video on demand, rights, etc., remained mainly unchanged from 2012.

EXTRAORDINARY EVENTS DURING THE THIRD QUARTER

On 12 September 2013 the commercial court ruled in the first instance in the dispute between NV De Streekkrant-De Weekkrantgroep and NV Kempenland concerning the termination of a printing contract in 1999. De Streekkrant-De Weekkrantgroep was sentenced to payment of EUR 8.2 million (rounded amount consisting of principal, interest and court costs). Given the amounts already paid and the provision of EUR 1.2 million, this has a EUR 7 million negative effect on the 2013 result. Roularta will of course be appealing this judgement, which is not commensurate with the loss of sales by the Kempenland printworks.

PROSPECTS

Roularta Media Group remains cautious as regards the future. It is working on further integrations and optimization of the printing business.

The quality of the titles and their journalistic value, providing a very loyal subscription audience, remain cornerstones on which the Group continues to build. Internet and line extensions, with payment models, will help determine the future.

Despite the improving outlook in terms of turnover, Roularta Media Group predicts a decline in its recurring profit, owing to the fall in job ads, and in advertising in medical journals and in magazines, especially in France. The net result for 2013 will be negatively impacted by the charging against income of the judgement in first instance in the Kempenland case and the cost of restructuring in France (PSE redundancy plan).

Contact persons	Rik De Nolf (CEO)	Jan Staelens (CFO)
Tel.:	+ 32 51 266 323	+ 32 51 266 326
Fax:	+ 32 51 266 593	+ 32 51 266 627
E-mail:	rik.de.nolf@roularta.be	jan.staelens@roularta.be
URL:	www.roularta.be	
