

# HALF-YEARLY FINANCIAL REPORT

AS OF 30 JUNE 2016

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Roularta  
MediaGroup 

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# 1. INTERIM REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

*This interim financial report should be read in conjunction with the consolidated balance sheet and income statement of NV Roularta Media Group, and the related selected notes (see item 6 hereafter). This interim report is drawn up in accordance with the Royal Decree of 14 November 2007 concerning the obligations of the issuers of financial instruments.*

## **SIGNIFICANT EVENTS DURING THE FIRST SIX MONTHS OF THE FINANCIAL YEAR**

**Listed company Roularta Media Group presents good bottom-line results (+49% net earnings per share vs H1 2015), despite major launch costs in digital initiatives and a difficult print advertising market.**

Roularta Media Group (RMG)'s 360° strategy is bearing fruit. RMG is omnipresent in TV, radio, digital and print with strong brands, appreciated by viewers, listeners, readers, surfers and advertisers.

With a slight 1.2% increase in combined sales (including joint ventures) to € 241 million and a limited decline in consolidated sales (excluding joint ventures) of -4.8% vs H1 2015 to € 143 million, Roularta Media Group presents a good result in the media sector.

The consolidated half-year EBITDA of € 19.9 million or 13.9% of sales is below the 2015 figure. This reflects a decline in advertising revenue and the cost of new launches like the Storesquare.be e-commerce platform and the Mobile Vikings telecoms business.

The EBITDA decrease is more than offset by lower financial expenses and taxes, resulting in a € 0.5 million increase in net income from continuing operations to € 13.9 million and a € 4.9 million higher net result for RMG shareholders of € 14.7 million (+49%).

Starting with the 2016 results, and as announced, RMG no longer reports REBITDA and REBIT. This is because no more extraordinary reorganisations and restructurings are taking place.

### **Note on accounting change**

*Under the application of the accounting standard IFRS 11, the joint ventures are 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.*

*In the income statement the net result of the joint ventures is accounted for as 'Share in the result of companies accounted for using the equity method' as part of the operating cash flow (EBITDA).*

*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 2016

### 1.1 Consolidated key figures

	in thousands of euros	30/06/16	30/06/15	Trend	Trend (%)
Sales		143,035	150,199	-7,164	-4.8%
Adjusted sales <sup>(1)</sup>		142,969	149,861	-6,892	-4.6%
EBITDA <sup>(2)</sup>		19,911	21,979	-2,068	-9.4%
EBITDA - margin		13.9%	14.6%		
EBIT <sup>(3)</sup>		16,206	18,482	-2,276	-12.3%
EBIT - margin		11.3%	12.3%		
Net finance costs		-2,315	-3,071	756	-24.6%
Income taxes		30	-2,029	2,059	-101.5%
Net result from continuing operations		13,921	13,382	539	4.0%
Result of discontinued operations		0	-3,877	3,877	-100.0%
Attributable to minority interests		-801	-360	-441	122.5%
Attributable to equity holders of RMG		14,722	9,865	4,857	49.2%
Net result attributable to equity holders of RMG - margin		10.3%	6.6%		
Number of employees at closing date <sup>(4)</sup>		1,331	1,364	-33	-2.4%

(1) Adjusted sales = sales on a like-on-like basis with 2015, excluding changes in the consolidation scope.

(2) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.

(3) EBIT = operating result, including the share in the result of associated companies and joint ventures.

(4) Joint ventures (Medialaan, Bayard etc.) not included.

**Consolidated sales** for the first half of 2016, which under IFRS 11 exclude joint ventures, such as Medialaan and Plus Magazine, were stable, reducing slightly (-4.8%) from € 150 million to € 143 million.

The decline in advertising revenue in local media (-4.4%) and magazines (-5.7%) contrasts with the strong performance of Internet advertising revenue (+11.5%) and subscription recruitment (+2.8%). Newsstand sales (-14.4%) decreased with the loss of the Belgian Point de Vue sales. There is also less commercial printing in connection with the Group's former French magazines (-7.2%).

**EBITDA** declines less in euros than the decline in sales compared to last year, due to lower costs as a result of further cost savings. In contrast, investing in future digital activities such as e-commerce platform Storesquare.be and the telecom/data platform Mobile Vikings also adversely affects the EBITDA. In 2015, EBITDA was negatively impacted by € 1.7 million restructuring costs. EBIT evolves in line with EBITDA.

The EBITDA decrease is more than offset by lower financial expenses and taxes, resulting in a € 0.5 million increase in **net income from continuing operations** to € 13.9 million and a € 4.9 million higher net result for RMG shareholders of € 14.7 million.

Consolidated key figures per share	in euros	30/06/16	30/06/15	Trend
EBITDA		1.59	1.76	-9.7%
EBIT		1.30	1.48	-12.2%
Net result attributable to equity holders of RMG		1.18	0.79	49.4%
Net result attributable to equity holders of RMG after dilution		1.17	0.79	48.1%
Weighted average number of shares		12,509,223	12,483,273	0.2%
Weighted average number of shares after dilution		12,606,876	12,499,695	0.9%

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

	in thousands of euros	30/06/16	30/06/15	Trend	Trend [%]
Sales		240,947	238,068	2,879	1.2%
Adjusted sales <sup>(1)</sup>		235,615	237,648	-2,033	-0.9%
EBITDA <sup>(2)</sup>		28,639	29,757	-1,118	-3.8%
EBITDA - margin		11.9%	12.5%		
EBIT <sup>(3)</sup>		22,738	24,297	-1,559	-6.4%
EBIT - margin		9.4%	10.2%		
Net finance costs		-2,394	-2,982	588	-19.7%
Income taxes		-6,423	-7,933	1,510	-19.0%
Net result from continuing operations		13,921	13,382	539	4.0%
Result of discontinued operations		0	-3,877	3,877	-100.0%
Attributable to minority interests		-801	-360	-441	122.5%
Attributable to equity holders of RMG		14,722	9,865	4,857	49.2%
Net result attributable to equity holders of RMG - margin		6.1%	4.1%		
Number of employees at closing date <sup>(4)</sup>		1,805	1,814	-9	-0.5%

(1) Adjusted sales = sales on a like-on-like basis with 2015, excluding changes in the consolidation scope.

(2) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.

(3) EBIT = operating result, including the share in the result of associated companies and joint ventures.

(4) Joint ventures (Medialaan, Bayard etc.) included.

**Combined sales** increase by 1.2%, thanks mainly to the TV advertising revenue at Medialaan and the acquisition of Mobile Vikings.

Investing in future digital activities such as e-commerce platform Storesquare.be and the telecom/data platform Mobile Vikings adversely affects the **EBITDA**. In 2015, EBITDA was negatively impacted by € 1.7 million of restructuring costs. **EBIT** evolves in line with EBITDA.

The EBITDA decrease is more than offset by lower financial expenses and taxes, resulting in a € 0.5 million increase in **net income from continuing operations** to € 13.9 million and a € 4.9 million higher net result for RMG shareholders of € 14.7 million.

For further clarification of these combined key figures, we refer to section 2.

## 2. ANALYSIS OF THE COMBINED FIGURES OF THE GROUP

### 2.1 Printed Media

	in thousands of euros	30/06/16	30/06/15	Trend	Trend (%)
Sales		152,144	158,318	-6,174	-3.9%
Adjusted sales <sup>(1)</sup>		152,078	157,880	-5,802	-3.7%
EBITDA <sup>(2)</sup>		10,542	12,354	-1,812	-14.7%
EBITDA - margin		6.9%	7.8%		
EBIT <sup>(3)</sup>		6,648	8,718	-2,070	-23.7%
EBIT - margin		4.4%	5.5%		
Net finance costs		-2,265	-3,023	758	-25.1%
Income taxes		-289	-2,803	2,514	-89.7%
Net result from continuing operations		4,094	2,892	1,202	41.6%
Result of discontinued operations		0	-3,877	3,877	-100.0%
Attributable to minority interests		-801	-360	-441	122.8%
Attributable to equity holders of RMG		4,895	-626	5,521	+881.9%
Net result attributable to equity holders of RMG - margin		3.2%	-0.4%		

(1) Adjusted sales = sales on a like-on-like basis with 2015, excluding changes in the consolidation scope.

(2) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.

(3) EBIT = operating result, including the share in the result of associated companies and joint ventures.

Sales by the Printed Media division fell by 3.9%, from € 158.3 million to € 152.1 million. Adjusted sales in the first half of 2016 amounted to € 152.1 million compared with € 157.9 million in the first half of 2015, or down 3.7%.

#### Advertising

Adjusted sales (advertising) in the free newspapers of the department Roularta Local Media decrease by 3.6% compared with the first half of 2015. Advertising revenue at Krant van West-Vlaanderen decreases slightly (-1.1%).

The 5.4% decline in magazine advertising can largely be explained by a decline in the medical and business magazines.

Revenues from the various Internet sites continue to grow. Sales are up by 12.8% in the first half of 2016.

#### Readers' market

Revenue from the readers' market (newsstand sales and subscriptions) is slightly down by 0.8% compared with the first half of 2015, mainly due to the loss of the Belgian Point de Vue sales.

#### Typesetting and printing

Third party typesetting and printing fall by 5.6% compared with H1 2015.

This is largely explained by the decline in print orders from the former French activities.

#### Other income

Adjusted sales from other income, the smallest segment, decrease by 16% compared with the first half of 2015, due among other things to the end of paper sales connected with the former French activities.

EBITDA decreases from € 12.3 million to € 10.5 million, mainly due to lower advertising revenues.

EBIT decreases from € 8.7 million to € 6.6 million, evolving in line with EBITDA.

The net result from continuing operations in the printed division is € 4.1 million as against € 2.9 million in H1 2015 thanks to the € 3.3 million decrease in net finance costs and taxes.

## 2.2 Audiovisual Media

	in thousands of euros	30/06/16	30/06/15	Trend	Trend [%]
Sales		89,426	80,325	9,101	11.3%
Adjusted sales <sup>(1)</sup>		84,161	80,325	3,836	4.8%
EBITDA <sup>(2)</sup>		18,097	17,403	694	4.0%
EBITDA - margin		20.2%	21.7%		
EBIT <sup>(3)</sup>		16,090	15,579	511	3.3%
EBIT - margin		18.0%	19.4%		
Net finance costs		-129	41	-170	412.0%
Income taxes		-6,134	-5,130	-1,004	19.6%
Net result from continuing operations		9,827	10,490	-663	-6.3%
Result of discontinued operations		0	0	0	
Attributable to minority interests		0	-1	1	100.0%
Attributable to equity holders of RMG		9,827	10,490	-663	-6.3%
Net result attributable to equity holders of RMG - margin		11.0%	13.1%		

(1) Adjusted sales = sales on a like-on-like basis with 2015, excluding changes in the consolidation scope.

(2) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.

(3) EBIT = operating result, including the share in the result of associated companies and joint ventures.

Sales by the Audiovisual Media increase by 11.3%, from € 80.3 million to € 89.4 million.

The adjusted sales in the first half of 2016, mainly adjusted for Mobile Vikings, amount to € 84.2 million, up 4.8%.

### Advertising

Advertising revenue at the TV and radio stations increases in the first half by 4.9%. Revenues from video online grow by 16.6%.

### Other adjusted income

Adjusted sales from other income-producing activities including line extensions, video on demand, rights and audiovisual productions increase by 3.4%.

EBITDA increases from € 17.4 million to € 18.1 million (+4.0%), thanks mainly to higher advertising income, slowed by increasing broadcasting costs and investments in Mobile Vikings.

EBIT rises from € 15.6 million to € 16.1 million (+3.3%).

The net result of the Audiovisual Media division amounts to € 9.8 million, slightly lower compared to the € 10.5 million in H1 2015 and this by an increase in net finance costs and taxes.

### 3. CONSOLIDATED BALANCE SHEET

Balance sheet	in thousands of euros	30/06/16	31/12/15	Trend
Non-current assets		329,186	319,007	+3.2%
Current assets		125,106	130,674	-4.3%
Balance sheet total		454,292	449,681	+1.0%
Equity - Group's share		216,417	207,649	+4.2%
Equity - minority interests		968	1,868	-48.2%
Liabilities		236,907	240,164	-1.4%
Liquidity <sup>(1)</sup>		1.1	1.1	+0.0%
Solvency <sup>(2)</sup>		47.9%	46.6%	+2.8%
Net financial debt		78,989	75,680	+4.4%
Gearing <sup>(3)</sup>		36.3%	36.1%	+0.6%

(1) Liquidity = current assets / current liabilities.

(2) Solvency = equity (Group's share + minority interests) / balance sheet total.

(3) Gearing = net financial debt / equity (Group's share + minority interests).

**Equity – Group's share** at 30 June 2016 was € 216.4 million compared with € 207.6 million at 31 December 2015. The change on equity consists mainly of the profit for the first half of 2016 (€ 14.7 million) minus the dividend paid (€ 6.3 million).

At 30 June 2016 the Group's **net financial debt position**<sup>1</sup> stood at € 79.0 million, compared with € 75.7 million at 31 December 2015, mainly explained by the dividend paid in 2016 in respect of the 2015 financial year (€ 6.3 million) and investments.

### 4. INVESTMENTS (CAPEX)

Total investments in the first half of 2016 amounted to € 4.3 million, of which € 0.5 million acquisitions, € 1.5 million investments in intangible assets (mainly software) and € 2.4 million in fixed assets (mainly machinery).

### 5. SIGNIFICANT EVENTS IN THE FIRST HALF OF 2016 AND AFTER

- On 1 January 2016, Rik De Nolf was succeeded as CEO of Roularta Media Group by Xavier Bouckaert. Rik De Nolf takes the position of executive chairman of the Board of Directors.
- On 11 February 2016, Mediaalaan, the 50/50 joint venture from Roularta Media Group NV, acquired control of the companies grouped round the brand Mobile Vikings.
- Since 1 July 2016, Mediaalaan has taken over TV station Acht from Concentra (no impact on the half-year results 2016).
- In January 2016, Roularta Media Group NV participated in the capital increase of Proxistore NV amounting to € 450,000. Roularta Media Group NV has not participated in a second capital increase in May 2016, making the current rate of participation fall from 50% to 46.1%.
- Roularta Media Nederland BV was liquidated on 1 July 2016.
- During the first half of 2016, Roularta Media Group NV increased its percentage shareholding in Media ID CVBA from 9% to 27%. It concerns a company of minor importance not included in the consolidated financial statements.

<sup>1</sup> Net financial debt = Financial debts less current cash.



## **6. PROSPECTS**

Insufficient visibility of advertising revenues in all media makes it difficult to produce a forecast for the full second half.

The advertising portfolio for the third quarter shows sales evolving in line with the first half for the printing, audiovisual media and Internet activities. The readers' market is stable thanks to the subscriptions.

Medialaan achieves strong audience ratings but we foresee no automatic continuation of the advertising revenue uptrend into the second half. Of note here is the growing revenue from new viewing patterns such as deferred viewing through Proximus, Telenet and Medialaan's own Stievie platform and growing advertising revenues from video online.

The new activities, like mobile telecommunications, Storesquare.be and Digilocal ... are demanding additional recruitments and launch costs, which impact the Group net results.

Continuing attention is being paid to cost control.

# 2A. CONDENSED CONSOLIDATED INCOME STATEMENT

	in thousands of euros	30/06/16	30/06/15
Sales		143,035	150,199
Own construction capitalised		1,073	166
Raw materials, consumables and goods for resale		-35,622	-37,680
Services and other goods		-50,277	-50,464
Personnel		-48,497	-49,127
Other operating result		-1,041	-1,276
<i>Other operating income</i>		2,123	2,452
<i>Other operating costs</i>		-3,164	-3,728
Restructuring costs: costs		0	-1,673
Share in the result of associated companies and joint ventures		11,240	11,834
<b>Operational cash flow - EBITDA</b>		<b>19,911</b>	<b>21,979</b>
Depreciation, write-down and provisions		-3,705	-3,610
<i>Depreciation and write-down of intangible and tangible assets</i>		-4,698	-4,526
<i>Write-down of debtors and inventories</i>		117	113
<i>Provisions</i>		876	803
<i>Impairment losses</i>		0	0
Restructuring costs: provisions		0	113
<b>Operating result (EBIT)</b>		<b>16,206</b>	<b>18,482</b>
Interest income		749	406
Interest expenses		-3,064	-3,477
<b>Operating result after net finance costs</b>		<b>13,891</b>	<b>15,411</b>
Income taxes		30	-2,029
<b>Net result from continuing operations</b>		<b>13,921</b>	<b>13,382</b>
<b>Result from discontinued operations</b>		<b>0</b>	<b>-3,877</b>
<b>Net result of the consolidated companies</b>		<b>13,921</b>	<b>9,505</b>
Attributable to:			
Minority interests		-801	-360
<b>Equity holders of Roularta Media Group</b>		<b>14,722</b>	<b>9,865</b>
<b>Earnings per share</b>	<b>in euros</b>		
Basic earnings per share		1.18	0.79
Diluted earnings per share		1.17	0.79

## 2B. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	in thousands of euros	30/06/16	30/06/15
<b>Net result of the consolidated companies</b>		<b>13,921</b>	<b>9,505</b>
<b>Other comprehensive income of the period</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences		-17	12
<i>Cash flow hedges</i>			
<i>Deferred taxes relating to other comprehensive income</i>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Non-current employee benefits - actuarial gain / loss		0	-370
Share of non-reclassifiable other comprehensive income of joint ventures and associates		-22	
<b>Other comprehensive income of the period</b>		<b>-39</b>	<b>-358</b>
<b>Total comprehensive income of the period</b>		<b>13,882</b>	<b>9,147</b>
Attributable to:			
Minority interests		-801	-360
<b>Equity holders of Roularta Media Group</b>		<b>14,683</b>	<b>9,507</b>

# 3. CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS	in thousands of euros	30/06/16	31/12/15
<b>Non-current assets</b>		<b>329,186</b>	<b>319,007</b>
Intangible assets		85,559	86,158
Goodwill		0	5
Property, plant and equipment		56,779	57,025
Investments accounted for using the equity method		131,212	120,735
Available-for-sale investments, loans and guarantees		2,830	2,844
Trade and other receivables		31,982	31,479
Deferred tax assets		20,824	20,761
<b>Current assets</b>		<b>125,106</b>	<b>130,674</b>
Inventories		6,385	5,464
Trade and other receivables		75,869	81,867
Tax receivable		253	390
Short-term investments		46	46
Cash and cash equivalents		34,433	38,496
Deferred charges and accrued income		8,120	4,411
<b>Total assets</b>		<b>454,292</b>	<b>449,681</b>

<b>LIABILITIES</b>	<b>in thousands of euros</b>	<b>30/06/16</b>	<b>31/12/15</b>
<b>Equity</b>		<b>217,385</b>	<b>209,517</b>
Group's equity		216,417	207,649
<i>Issued capital</i>		80,000	80,000
<i>Treasury shares</i>		-24,118	-24,376
<i>Retained earnings</i>		156,628	148,159
<i>Other reserves</i>		3,878	3,820
<i>Translation differences</i>		29	46
Minority interests		968	1,868
<b>Non-current liabilities</b>		<b>121,707</b>	<b>123,862</b>
Provisions		7,325	8,417
Employee benefits		3,826	3,527
Deferred tax liabilities		521	521
Financial debts		109,998	111,360
Other payables		37	37
<b>Current liabilities</b>		<b>115,200</b>	<b>116,302</b>
Financial debts		3,470	2,862
Trade payables		43,560	48,086
Advances received		19,911	19,841
Employee benefits		18,840	18,008
Taxes		1,393	1,630
Other payables		16,054	20,277
Accrued charges and deferred income		11,972	5,598
<b>Total liabilities</b>		<b>454,292</b>	<b>449,681</b>

# 4. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Cash flow relating to operating activities	in thousands of euros	30/06/16	30/06/15
Net result of the consolidated companies		13,921	9,465
Share in the result of the companies accounted for using the equity method		-11,240	-12,329
Income tax expense / income		-30	2,029
Interest expenses		3,064	3,850
Interest income (-)		-749	-449
Losses / gains on disposal of intangible assets and property, plant and equipment		10	-424
Losses / gains on disposal of business		-399	704
Dividends received from companies accounted for using the equity method		1,550	1,450
Non-cash items		3,789	-679
<i>Depreciation of (in) tangible assets</i>		4,698	4,536
<i>Impairment losses</i>		0	0
<i>Share-based payment expense</i>		79	61
<i>Losses / gains on non-hedging derivatives</i>		0	-236
<i>Increase / decrease in provisions</i>		-876	-3,923
<i>Unrealised exchange loss / gain</i>		0	-1
<i>Other non-cash items</i>		-112	-1,116
<b>Gross cash flow relating to operating activities</b>		<b>9,916</b>	<b>3,616</b>
Increase / decrease in current trade receivables		4,760	6,839
Increase / decrease in current other receivables and deferred charges and accrued income		-2,252	-9,112
Increase / decrease in inventories		-899	-123
Increase / decrease in current trade payables		-4,526	-9,306
Increase / decrease in other current liabilities		-2,645	1,507
Other increases / decreases in working capital (a)		3,840	2,996
<b>Increase / decrease in working capital</b>		<b>-1,722</b>	<b>-7,200</b>
Income taxes paid		-946	-35
Interest paid		-504	-1,612
Interest received		115	456
<b>NET CASH FLOW RELATING TO OPERATING ACTIVITIES (A)</b>		<b>6,859</b>	<b>-4,774</b>

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

<b>Cash flow relating to investing activities</b>	<b>30/06/16</b>	<b>30/06/15</b>
Intangible assets - acquisitions	-1,474	-1,818
Tangible assets - acquisitions	-2,409	-770
Intangible assets - other movements	1	-83
Tangible assets - other movements	19	947
Net cash flow relating to acquisition of subsidiaries	-450	0
Net cash flow relating to disposal of subsidiaries	0	11,988
Net cash flow relating to loans to companies accounted for using the equity method	122	0
Available-for-sale investments, loans, guarantees - acquisitions	0	-743
Available-for-sale investments, loans, guarantees - other movements	15	-1,402
Increase / decrease in short-term investments	0	33
<b>NET CASH FLOW RELATING TO INVESTING ACTIVITIES (B)</b>	<b>-4,176</b>	<b>8,152</b>
<b>Cash flow relating to financing activities</b>		
Dividends paid	-6,253	0
Movement in capital	0	0
Treasury shares	258	0
Other changes in equity	-115	-82
Proceeds from current financial debts	614	0
Redemption of current financial debts	-1,393	-907
Proceeds from non-current financial debts	0	0
Redemption of non-current financial debts	0	-1,383
Decrease in non-current receivables	143	95
Increase in non-current receivables	0	0
<b>NET CASH FLOW RELATING TO FINANCING ACTIVITIES (C)</b>	<b>-6,746</b>	<b>-2,277</b>
<b>TOTAL DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-4,063</b>	<b>1,100</b>
Cash and cash equivalents, beginning balance	38,496	34,753
Cash and cash equivalents, ending balance	34,433	35,853
<b>Net decrease / increase in cash and cash equivalents</b>	<b>-4,063</b>	<b>1,100</b>

# 5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Treasury shares	Retained earnings	Other reserves	Translation reserves	Minority interests	Total equity
<b>Balance as of 01/01/2016</b>	<b>80,000</b>	<b>-24,376</b>	<b>148,159</b>	<b>3,820</b>	<b>46</b>	<b>1,868</b>	<b>209,517</b>
Total comprehensive income of the period			14,722	-22	-17	-801	13,882
Operations with own shares		258					258
Dividends			-6,253				-6,253
Recognition of share-based payments				80			80
Dividends paid to minority interests						-99	-99
<b>Balance as of 30/06/2016</b>	<b>80,000</b>	<b>-24,118</b>	<b>156,628</b>	<b>3,878</b>	<b>29</b>	<b>968</b>	<b>217,385</b>

	Issued capital	Treasury shares	Retained earnings	Other reserves	Translation reserves	Minority interests	Total equity
<b>Balance as of 01/01/2015</b>	<b>203,225</b>	<b>-24,647</b>	<b>-36,955</b>	<b>1,574</b>	<b>80</b>	<b>2,475</b>	<b>145,752</b>
Total comprehensive income of the period			9,864	-370	12	-360	9,146
Costs of issuance and equity increase							0
Recognition of share-based payments				61			61
Dividends paid to minority interests						-93	-93
Other decrease / increase	-123,225		121,466	1,758		-389	-390
<b>Balance as of 30/06/2015</b>	<b>80,000</b>	<b>-24,647</b>	<b>94,375</b>	<b>3,023</b>	<b>92</b>	<b>1,633</b>	<b>154,476</b>



# 6. SELECTED NOTES TO THE HALF-YEARLY FINANCIAL REPORT

## 6.1 PRINCIPLES OF THE INTERIM FINANCIAL REPORTING

The summary interim financial statements have been drawn up in conformity with IAS 34 Interim Financial Reporting as approved by the EU.

The interim financial statements were approved by the members of the board of directors on 19 August 2016.

## 6.2 VALUATION RULES

In preparing the interim financial statements, the IFRS principles for inclusion and valuation have been applied as for the consolidated annual financial statements of 31 December 2015. For the new IFRS and improved IAS standards that have come into effect as of 1 January 2016 the reader is referred to Note 1 in the 2015 Annual Report. The application of these new or revised standards has no material effect on the Group's results or financial position.

## 6.3 SEGMENT REPORTING

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

For reporting purposes, Roularta Media Group is organised into two operating segments based on the activities: Printed Media and Audiovisual Media. These operating segments remain unchanged from those used last financial year.

Despite the application of IFRS 11, the Group's operational decision-making officers continue to work based on the financial information by segment on a 'combined' basis, i.e. including Roularta Media Group's pro rata share in the joint ventures, after elimination of intra-group elements, by the proportionate consolidation method.

<b>30/06/16</b> in thousands of euros	<b>Printed Media</b>	<b>Audiovisual Media</b>	<b>Intersegment elimination</b>	<b>Combined total</b>	<b>Effect IFRS 11</b>	<b>Consolidated total</b>
<b>Sales of the segment</b>	<b>152,144</b>	<b>89,426</b>	<b>-623</b>	<b>240,947</b>	<b>-97,912</b>	<b>143,035</b>
<i>Sales to external customers</i>	151,772	89,175		240,947	-97,912	143,035
<i>Sales from transactions with other segments</i>	372	251	-623	0		0

<b>30/06/15</b> in thousands of euros	<b>Printed Media</b>	<b>Audiovisual Media</b>	<b>Intersegment elimination</b>	<b>Combined total</b>	<b>Effect IFRS 11</b>	<b>Consolidated total</b>
<b>Sales of the segment</b>	<b>158,318</b>	<b>80,325</b>	<b>-575</b>	<b>238,068</b>	<b>-87,869</b>	<b>150,199</b>
<i>Sales to external customers</i>	158,048	80,020		238,068	-87,869	150,199
<i>Sales from transactions with other segments</i>	270	305	-575	0		0

The discussion of the segments can be found in the interim report of the board of directors. The results are summarised below, along with their impact on the consolidated net result.

<b>30/06/16</b> in thousands of euros	<b>Printed Media</b>	<b>Audiovisual Media</b>	<b>Combined total</b>	<b>Effect IFRS 11</b>	<b>Consolidated total</b>
EBITDA	10,542	18,097	28,639	-8,728	19,911
EBIT	6,648	16,090	22,738	-6,532	16,206
Net result from continuing operations	4,094	9,827	13,921	0	13,921
Result from discontinued operations	0	0	0	0	0
<b>Depreciation, write-down and provisions</b>					
<i>Depreciation and write-down of intangible and tangible assets</i>	-4,890	-2,333	-7,223		
<i>Write-down of debtors and inventories</i>	121	124	245		
<i>Impairment losses</i>			0		
<i>Restructuring costs: provisions</i>			0		
<i>Other provisions</i>	875	202	1,077		

<b>30/06/15</b> <b>in thousands of euros</b>	<b>Printed Media</b>	<b>Audiovisual Media</b>	<b>Combined total</b>	<b>Effect IFRS 11</b>	<b>Consolidated total</b>
EBITDA	12,354	17,403	29,757	-7,778	21,979
EBIT	8,718	15,579	24,297	-5,815	18,482
Net result from continuing operations	2,892	10,490	13,382	0	13,382
Result from discontinued operations	-3,877	0	-3,877	0	-3,877
<b>Depreciation, write-down and provisions</b>					
<i>Depreciation and write-down of intangible and tangible assets</i>	-4,674	-2,279	-6,953		
<i>Write-down of debtors and inventories</i>	117	449	566		
<i>Impairment losses</i>			0		
<i>Restructuring costs: provisions</i>	113		113		
<i>Other provisions</i>	808	6	814		

## 6.4 PENDING DISPUTES

Update of Note 26 of the Annual Report 2015: there are no material changes to the pending disputes, described in Note 26 of the Annual Report 2015.

## 6.5 MAIN CHANGES IN (IN)TANGIBLE FIXED ASSETS AND GOODWILL

### Investments

In the first half of 2016 the Group invested € 3.9 million in intangible and tangible assets (first half of 2015: € 2.6 million). The investments in intangible assets are in new software (€ 1.5 million). The largest investments in tangible assets relate a.o. to machinery (€ 1.8 million) and buildings in an amount of € 0.4 million.

### Sales

In the first half of 2016 there were no material disposals of (in)tangible fixed assets.

## 6.6 ONE-OFF ITEMS

There are no one-off items in the half-yearly results of 2016. For the explanation of the one-off items 2015, we refer to the half-yearly financial report 2015.

## 6.7 TRADE AND OTHER RECEIVABLES - LONG TERM

This item consists mainly of the amount receivable by Roularta Media Group related to the sale of the French activities. This receivable is interest-bearing and guaranteed and will be paid no later than April 2018.

## 6.8 ISSUED CAPITAL

There were no changes in the capital in the first semester of 2016.

## 6.9 TREASURY SHARES

The statutory authorisation to purchase own company shares, renewed at the annual meeting of 19 May 2015, was not used. In the first semester of 2016, 16,400 own shares were granted to the holders of options at the moment of the exercise of their options.

## 6.10 SHARE OPTIONS

In the first semester of 2016, no new share option plans were offered.

In the first semester of 2016, the Group recognised € 79K (30/06/2015: € 61K) as personnel costs relating to equity-settled share-based payment transactions.

## 6.11 PROVISIONS

Provisions have decreased from € 8.4 million at the end of 2015 to € 7.3 million at 30 June 2016.

This evolution can be largely explained by the reversal of the provision for the remaining lease obligations on a printing press that has been taken out of service (the payment of lease obligations during the first half of 2016: € 0.7 million) and the reversal of the provision for restructuring (disbursed severance pay: € 0.3 million).

## 6.12 FINANCIAL DEBTS (NON-CURRENT AND CURRENT)

During the first half of 2016, no new long-term bank loans were concluded. Besides the contractual repayments of € 1.4 million, there were no prepayments of bank loans.

## 6.13 FAIR VALUE OF THE FINANCIAL INSTRUMENTS

Fair value of financial assets and liabilities with a significant deviation between the book value and fair value at 30/06/2016:

in thousands of euros	Carrying amount	Fair value
<b>Financial debts</b>		
- debenture	99,890	106,100

For other financial instruments, the fair value approximates the carrying value.

## 6.14 CURRENT LIABILITIES: OTHER PAYABLES

The other liabilities include VAT, payroll tax, and various other taxes payable and liabilities to joint ventures. The decrease in the first half of 2016 relates primarily to the payment in the dispute of Kempenland.

## 6.15 DIVIDENDS

On 1 June 2016, € 6,252,624 of gross dividends in respect of the 2015 financial year were released for payment.

In 2015, no dividends were declared.

## 6.16 RESULTS

### Sales

Sales are down 4.8% on H1 2015. Corrected to exclude changes in the consolidation scope, sales are down 4.6%.

For a discussion of this development we refer to the press release on the half-year results and the interim report of the board of directors that is included at the beginning of this interim financial report.

### Raw materials, consumables and goods for resale

Compared with H1 2015 these costs have declined by € 2.1 million (mainly a fall in paper costs).

### Services and other goods

The services and other goods amount to € 50.3 million and are in line with last year.

	in thousands of euros	30/06/16	30/06/15
Transport and distribution costs		9,141	8,970
Marketing and promotion costs		10,943	10,599
Commission fees		2,572	2,000
Fees		13,159	13,924
Operating leases		6,021	6,099
Energy		1,124	1,257
Subcontractors and other deliveries		5,360	5,378
Remuneration members of the board of directors		199	213
Temporary workers		927	900
Travel and reception costs		408	648
Insurances		159	140
Other services and other goods		264	336
<b>Total services and other goods</b>		<b>50,277</b>	<b>50,464</b>

The biggest changes are € 0.3 million higher promotion costs and € 0.5 million higher commission fees. On the other hand, fees have decreased by € 0.8 million.

### Personnel

The personnel expenses decreased by € 0.6 million (1.3%) compared with H1 2015.

## Other operating income and expenses

A net increase by € 235K compared with H1 2015 can be explained by a decrease by € 0.3 million of the other operating income and a decrease by € 0.6 million of the other operating expenses.

Other operating income includes the operating subsidies, the capital gain on the disposal of tangible and financial assets, government grants and miscellaneous cross-charges.

Other operating expenses include other taxes, the loss on the disposal of (in)tangible fixed assets, losses on trade receivables, payment differences and bank charges.

## Share in the result of associated companies and joint ventures

in thousands of euros	30/06/16	30/06/15
Medialaan Group	11,396	11,256
Bayard Group	697	1,029
Other	-853	-451
	<b>11,240</b>	<b>11,834</b>

At Medialaan, the result in the first half of 2016 is higher than in the first half of 2015, thanks mainly to higher advertising income, slowed by increasing broadcasting costs and investments in Mobile Vikings.

At the other associated companies and joint ventures, we see lower advertising income as the biggest reason for the decline in the result.

## Depreciation

The depreciation amounts to € 4.7 million and is in line with last year.

## Financial income and expenses

in thousands of euros	30/06/16	30/06/15
<b>Financial income:</b>	<b>749</b>	<b>406</b>
- interest income	749	170
- evolution of the market values of the swap contracts not viewed as hedging	0	236
<b>Financial costs:</b>	<b>-3,064</b>	<b>-3,477</b>
- interest expense	-3,064	-3,477

The increase in interest income is mainly due to the interest on the receivable related to the sale of the French activities.

Interest expenses decrease as a result of lower outstanding financial debt and lower interest rates.

## 6.17 INCOME TAX EXPENSE

The effective tax rate is influenced by a number of factors which affect the tax base. The company Roularta Media Group NV has tax loss carryforwards. The tax charge in respect of H1 2016 is offset by the recognition of an additional deferred tax asset, bringing the tax rate in the income statement to nil.

## 6.18 RELATED PARTIES

The related parties of Roularta Media Group NV consist of subsidiaries, joint ventures, associated companies, other related parties and key management personnel (including directors).

The composition of the related parties, and nature of the transactions and the outstanding balances have not changed significantly from those reported in the financial statements at 31 December 2015.

## 6.19 DISCONTINUED OPERATIONS

The half-yearly results of 2016 contain no discontinued operations. For the half-yearly results of 2015, it was related to the sell of the French activities (cf half-yearly financial report as of 30 June 2015).

## 6.20 CHANGES IN THE CONSOLIDATED GROUP

### a. Acquisitions

On 11 February 2016, Medialaan, the 50/50 joint venture from Roularta Media Group NV, acquired control of the companies grouped round the brand Mobile Vikings.

### b. Other changes

- In January 2016, Roularta Media Group NV participated in the capital increase of Proxistore NV amounting to € 450,000. Roularta Media Group NV has not participated in a second capital increase in May 2016, making the current rate of participation fall from 50% to 46.12%.
- During the first half of 2016, Roularta Media Group NV increased its percentage shareholding in Media ID CVBA from 9% to 27%. It concerns a company of minor importance not included in the consolidated financial statements.

## 6.21 KEY EVENTS AFTER BALANCE SHEET CLOSING DATE

Roularta Media Nederland BV was liquidated on 1 July 2016.

Since 1 July 2016, Medialaan has taken over TV station Acht from Concentra.

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

## 6.22 SEASONAL FEATURES

The half-yearly results are not affected by any seasonal fluctuations. In general, sales are lower in January and February, as also in July and August with less good earnings as a result.

# 7. MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING MONTHS OF THE FINANCIAL YEAR

The media world is constantly changing. Central factors here are pressure on media spending and structural changes in the direction of digital products.

The Group's result is largely determined by the advertising market, the readers' market and viewing and listening figures.

The Group closely follows market developments within the media world in which it operates, so as to be able to react to and take advantage of changes and new trends within its environment. The Group's multimedia offering enables it to react pertinently to shifts in attention by the advertising world and its audience from one media form to the other.

The Group's advertising revenues are cyclical and sensitive to the general economic environment. With advertising expenditure decisions taken at the last moment, visibility is limited. The Group has organised itself to be able to adapt its cost structure at short notice in line with fluctuations in its advertising revenue. At the same time the Group's strategy of operating limited in several European countries also reduces the economic and cyclical risks.

Besides the traditional in print products, digital derivatives are also coming into being on the internet and for iPad, iPhone or similar hand-held devices. Some specific cyclical advertising revenues, for example job ads, may fluctuate according to how certain or not the customer feels about the economic climate.

New acquisitions and new initiatives – both inside and outside the internet sphere – provide additional sales and margins in the future.

Although the Group strives as far as possible for geographical spread and a diversified product mix, changing market conditions may have a negative impact on the Group's activities and financial position. Therefore, the Group is continuously improving the efficiency of its production processes and costs are kept under control.

The IT system is of vital importance within the Group. Any disruption (due to defect, malicious attacks, viruses or other causes) could have a serious impact on various aspects of its activities. This impact includes sales, customer service and administration, but also the Group's operating results. To date, there are no significant known problems, but the Group cannot guarantee that such problems will not occur in the future.

The Group's currency risk is limited to the USD. Purchases of film rights by the audiovisual segment can be in USD. This risk is hedged with foreign exchange contracts. Despite these hedging instruments, fluctuations in the USD can have a limited impact on RMG's operating results.

The Group's debt gearing and interest charges may affect the results. Any IRS contracts and other financial instruments can serve to contain this risk. The strengthened liquidity of Roularta Media Group NV permitted to reduce the available credit lines from € 39 million in 2014 to € 26 million in 2015 and to € 8 million on 30 June 2016.

The Group is also exposed to credit risk on its customers. Internal and external credit checks are used in order to manage this risk. Bills of exchange and credit insurance are other instruments used to lower this risk. Until now there has been no significant concentration of credit risks and the necessary provisions have been set up for existing risks.

For other general risks, the reader is referred to the 2015 Annual Report (Annual Report of the Board of Directors), where bank covenants, liquidity and capital structure risks, impairment risks and risks from legal and arbitration proceedings are discussed on pages 33 ff.



# 8. DECLARATION CONCERNING THE INFORMATION GIVEN IN THIS HALF-YEARLY FINANCIAL REPORT

The undersigned declare that, to the best of their knowledge,

- the abbreviated financial overviews, which have been drawn up in accordance with the applicable standards for annual financial statements, give a true and fair view of the net assets, the financial situation and the results of Roularta Media Group and of the companies included in the consolidation;
- the interim financial report presents a true and fair view of the key events and principal transactions with affiliated parties during the first six months of the current financial year and of their impact on the abbreviated financial overviews, as well as a description of the principal risks and uncertainties during the remaining months of the financial year.

Rik De Nolf, Chairman of the Board of Directors

Xavier Bouckaert, CEO

Jeroen Mouton, CFO

# 9. AUDITOR'S REPORT

## Report on review of the consolidated interim financial information for the six-month period ended 30 June 2016

*The original text of this report is in Dutch*

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed balance sheet as at 30 June 2016, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed cash flow statement for the period of six months then ended, as well as selective notes 6.1 to 6.22.

### Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Roularta Media Group NV ('the company') and its subsidiaries (jointly 'the Group'), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The consolidated condensed balance sheet shows total assets of 454,292 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 14,722 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

### Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Roularta Media Group NV has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Gent, 19 August 2016

### The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by

Kurt Dehoorne

Mario Dekeyser