

HALF-YEARLY FINANCIAL REPORT

AS OF 30 JUNE 2017

Roularta
Media Group 

CONTENTS

1. Interim report of the board of directors
2a. Condensed consolidated income statement
2b. Condensed consolidated statement of comprehensive income
3. Condensed consolidated balance sheet
4. Condensed consolidated cash flow statement
5. Consolidated statement of changes in equity
6. Selected notes to the half-yearly financial report
7. Main risks and uncertainties for the remaining months of the financial year
8. Declaration concerning the information given in this half-yearly financial report
9. Auditor's report

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.

Radio and mobile did not adequately compensate for the investments in the launch costs of new digital initiatives and declining advertising revenue. This resulted in reduced profit for the first six months of the year.

The Roularta Media Group (RMG) 360° strategy continues unabated. RMG is omnipresent on TV, radio, in print and digitally with strong brands that are appreciated by viewers, listeners, readers, surfers and advertisers alike.

The revenue decrease (excluding the impact of acquisitions) of 5.0% (or € 12.1 million) on a combined basis is slightly better than the media sector average. Within the print segment, the decline was 6.4% or € 9.7 million, reflected mainly in the decline in advertising revenue and in printing orders from third parties. Within the audiovisual segment, including acquisitions, there was an increase of 1.4% or € 1.2 million, thanks to the mobile telecom products. There was a decrease of 2.9% or € 2.6 million before the impact of acquisitions, mainly due to TV advertising compared with the strong first half of 2016.

In the print segment, the gross margin percentage – revenue less raw materials, consumables and goods for resale remained stable. In the audiovisual segment, which enjoys good viewing ratings, investments were made in strong content for TV, which had a negative impact on the gross margin percentage.

The decline in revenue also had a direct impact on the Group's EBITDA for the print segment (-€ 7.6 million) and the audiovisual segment (-€ 4.6 million).

In the print segment, the investments in the launch costs for Storesquare and Proxistore are also included in the EBITDA. The audiovisual segment also invested heavily, with impact on the EBITDA, in a new digital platform for mobile telecom activities and in the joint data team formed between Medialaan and De Persgroep Publishing.

On the combined figures, there was an increase in depreciation of € 2.7 million compared to last year, mainly due to depreciation of the purchase cost of Mobile Vikings and CAZ, and the change of the expected life of some titles within the print segment from indefinite to definite, which was not a cash expenditure.

The slight increase in taxes in the print segment compared to June 2016 is related to the reversal of a deferred tax asset and therefore was not a cash expenditure. In the audiovisual segment, there was a sharp fall in taxes due to lower profits, but also due to an increase in deferred tax asset on acquisitions last year.

All of this resulted in a net profit for the RMG shareholder of € 1.3 million compared to € 14.7 million last year.

Note on combined and consolidated references

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 2017

1.1 Consolidated key figures

	in thousands of euros	30/06/17	30/06/16	Trend	Trend (%)
INCOME STATEMENT					
Sales		132,570	143,035	-10,465	-7.3%
Adjusted sales ⁽¹⁾		132,570	143,035	-10,465	-7.3%
EBITDA ⁽²⁾		8,829	19,911	-11,082	-55.7%
EBITDA - margin		6.7%	13.9%		
EBIT ⁽³⁾		3,383	16,206	-12,823	-79.1%
EBIT - margin		2.6%	11.3%		
Net finance costs		-2,427	-2,315	-112	4.8%
Income taxes		-455	30	-485	
Net result		501	13,921	-13,420	-96.4%
Attributable to minority interests		-780	-801	21	2.6%
Attributable to equity holders of RMG		1,281	14,722	-13,441	-91.3%
Net result attributable to equity holders of RMG - margin		1.0%	10.3%		
Number of employees at closing date ⁽⁴⁾		1,323	1,331	-8	-0.6%

(1) Adjusted sales = sales on a like-on-like basis with 2016, excluding changes in the consolidation scope.

(2) EBITDA = 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 2017, which under IFRS 11 exclude joint ventures, such as Medialaan and Plus Magazine, declined by 7.3% from € 143.0 to 132.6 million. The decrease in advertising revenues for Local Media (-9.4%) and the magazines (-7.1%) was partially offset by the strong performance of internet advertising revenue (+15.1%) and subscription recruitment (+0.5%). Newsstand sales declined by 15.2%, due among others to the discontinuation of the publication Royals. Printing for third parties was down by 11.6%, mainly due to work for Altice and Idéat, the French activities divested in 2015.

The **EBITDA** declined due to falling revenue, decreased share in the result of associated companies and joint ventures (-€ 3.3 million June 2017 compared to June 2016), and launch costs for future digital activities such as the e-commerce and marketing platform Storesquare.be. The **EBIT** evolved in line with the EBITDA, increased by higher depreciation (+€ 0.9 million) for intangible fixed assets in June 2017 compared to June 2016. This mainly concerns depreciation on titles for which a change in accounting estimate was made, and the expected life span was changed from indefinite to fixed.

Taxes in June 2017 were a 'non-cash' item due to the reversal of a deferred tax asset in the HealthCare entity.

The decrease in the EBIT and higher taxes resulted in a decrease in the **net result** from € 13.9 million to € 0.5 million and a € 13.4 million lower net result for RMG shareholders of € 1.3 million.

Consolidated key figures	in euros	30/06/17	30/06/16	Trend (%)
EBITDA		0.70	1.59	-56.0%
EBIT		0.27	1.30	-79.2%
Net result attributable to equity holders of RMG		0.10	1.18	-91.5%
Net result attributable to equity holders of RMG after dilution		0.10	1.17	-91.5%
Weighted average number of shares		12,533,021	12,509,223	0.2%
Weighted average number of shares after dilution		12,628,287	12,606,876	0.2%

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

	in thousands of euros	30/06/17	30/06/16	Trend	Trend (%)
INCOME STATEMENT					
Sales		232,703	240,947	-8,244	-3.4%
Adjusted sales ⁽¹⁾		228,891	240,947	-12,056	-5.0%
EBITDA ⁽²⁾		16,451	28,639	-12,188	-42.6%
EBITDA - margin		7.1%	11.9%		
EBIT ⁽³⁾		7,147	22,738	-15,591	-68.6%
EBIT - margin		3.1%	9.4%		
Net finance costs		-2,501	-2,394	-107	4.5%
Income taxes		-4,145	-6,423	2,278	-35.5%
Net result		501	13,921	-13,420	-96.4%
Attributable to minority interests		-780	-801	21	2.6%
Attributable to equity holders of RMG		1,281	14,722	-13,441	-91.3%
Net result attributable to equity holders of RMG - margin		0.6%	6.1%		
Number of employees at closing date ⁽⁴⁾		1,806	1,799	7	0.4%

(1) Adjusted sales = sales on a like-on-like basis with 2016, excluding changes in the consolidation scope.

(2) EBITDA = 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 revenue decreased slightly by 3.4%, due to a drop in revenue in the print segment. More details can be found in section 2.

The **EBITDA** decreased compared to last year due to further investments in future digital activities such as the e-commerce platform Storesquare.be and the Mobile Vikings platform, declining revenue, and higher content costs in the audiovisual segment.

The **EBIT** evolved in line with the EBITDA, increased by additional depreciation for intangible fixed assets (+€ 2.5 million). This mainly concerned purchase price allocations related to the acquisitions of Mobile Vikings and CAZ in 2016, and changes in the depreciation of some titles from an indefinite to a fixed expected life.

This decrease in the EBIT was partly offset by lower taxes compared to June 2016. However, the **net result** decreased from € 13.9 million to € 0.5 million, and the net result for the RMG shareholder declined by € 13.4 million to € 1.3 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	30/06/17	30/06/16	Trend	Trend (%)
INCOME STATEMENT				
Sales	142,447	152,144	-9,697	-6.4%
Adjusted sales ⁽¹⁾	142,447	152,144	-9,697	-6.4%
EBITDA ⁽²⁾	2,914	10,542	-7,628	-72.4%
EBITDA - margin	2.0%	6.9%		
EBIT ⁽³⁾	-2,927	6,648	-9,575	-144.0%
EBIT - margin	-2.1%	4.4%		
Net finance costs	-2,393	-2,265	-128	5.7%
Income taxes	-703	-289	-414	143.3%
Net result	-6,023	4,094	-10,117	-247.1%
Attributable to minority interests	-779	-800	21	2.6%
Attributable to equity holders of RMG	-5,244	4,894	-10,138	-207.2%
Net result attributable to equity holders of RMG - margin	-3.7%	3.2%		

(1) Adjusted sales = sales on a like-on-like basis with 2016, excluding changes in the consolidation scope.

(2) EBITDA = 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 6.4%, from € 152.1 million to € 142.4 million.

Advertising

Adjusted sales (advertising) in the free newspapers of the department Roularta Local Media decreased by 9.4% compared with the first half of 2016. Advertising revenue at Krant van West-Vlaanderen decreased (-15.2%). The 7.5% decline in magazine advertising can largely be explained by a decline in the business magazines.

Revenues from the various internet sites continue to grow. Sales are up by 15.1% in the first half of 2017.

Readers' market

Revenue from the readership market (newsstand sales and subscriptions) slightly fell by 2.5% compared to the first half of 2016. Without taking Royals into account, the decrease is limited to 2%. Subscriptions grew slightly (+0.4%).

Typesetting and printing

Third party typesetting and printing fell by 12.1% compared with H1 2016. 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, decreased by 9.2% compared with the first half of 2016, due among other things to the end of paper sales connected with the former French activities, declining sales of books (ancillary products) and the discontinuation of Inside Beleggen as a separate publication.

EBITDA decreased from € 10.5 million to € 2.9 million, mainly due to lower revenue and launch costs for Storesquare and Proxistore.

EBIT decreased from € 6.6 million to -€ 2.9 million, evolving in line with **EBITDA**, plus additional depreciation (+€ 1.0 million) for intangible fixed assets. This mainly represents depreciation under IFRS for changes from an indefinite to a fixed expected life.

The decline in the EBIT and higher taxes, and a reversal of a deferred tax asset at the HealthCare entity, resulted in a declining **net result** of -€ 6.0 million to € 4.1 million for the first half of 2017.

2.2 Audiovisual Media

	in thousands of euros	30/06/17	30/06/16	Trend	Trend [%]
INCOME STATEMENT					
Sales		90,673	89,426	1,247	1.4%
Adjusted sales ⁽¹⁾		86,861	89,426	-2,565	-2.9%
EBITDA ⁽²⁾		13,537	18,097	-4,560	-25.2%
EBITDA - margin		14.9%	20.2%		
EBIT ⁽³⁾		10,074	16,090	-6,016	-37.4%
EBIT - margin		11.1%	18.0%		
Net finance costs		-108	-129	21	-16.3%
Income taxes		-3,442	-6,134	2,692	-43.9%
Net result		6,524	9,827	-3,303	-33.6%
Attributable to minority interests		-1	0	-1	0.0%
Attributable to equity holders of RMG		6,525	9,827	-3,302	-33.6%
Net result attributable to equity holders of RMG - margin		7.2%	11.0%		

(1) Adjusted sales = sales on a like-on-like basis with 2016, excluding changes in the consolidation scope.

(2) EBITDA = 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 increased by 1.4%, from € 89.4 million to € 90.7 million. Adjusted revenue, i.e. comparable with the consolidation scope in June 2016 and 2017, amounted to € 86.9 million, a decrease of 2.9%. The difference is mainly due to Mobile Vikings.

Advertising

Advertising revenue at the TV and radio stations declined in the first half by 2.9%, due to declining revenue for TV. Radio revenues grew by 2.6%.

Other adjusted income

Adjusted sales from other income-producing activities including line extensions, video on demand, rights and audiovisual productions increased by 14.8%. This is due to higher sales from distribution fees and telecom.

EBITDA decreased from € 18.1 million to € 13.5 million (+25.2%), thanks mainly to increasing broadcasting costs and investments in Mobile Vikings.

EBIT decreased from € 16.1 million to € 10.1 million (-37.4%). In addition to the falling EBITDA, there was the PPA depreciation (+€ 1.2 million) for the 2016 acquisitions.

The decrease in the EBIT was partly offset by lower taxes on the result. The **net result** of the Audiovisual Media division amounts to € 6.5 million compared to the € 9.8 million in H1 2016.

3. CONSOLIDATED BALANCE SHEET

Balance sheet	in thousands of euros	30/06/17	31/12/16	Trend (%)
Non-current assets		295,379	307,445	-3.9%
Current assets		143,701	135,756	+5.9%
Balance sheet total		439,080	443,201	-0.9%
Equity - Group's share		216,162	222,293	-2.8%
Equity - minority interests		3,013	1,762	+71.0%
Liabilities		219,905	219,146	+0.3%
Liquidity ⁽¹⁾		1.4	1.4	+0.0%
Solvency ⁽²⁾		49.9%	50.6%	-1.4%
Net financial debt		59,240	57,443	+3.1%
Gearing ⁽³⁾		27.0%	25.6%	+5.5%

(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 2017 was € 216.2 million compared with € 222.3 million at 31 December 2016. The change on equity consists mainly of the profit for the first half of 2017 (€ 1.3 million) minus the dividend paid (€ 6.3 million) and the effect of the acquisition of a 25% minority interest by RMG in the 'Open Bedrijvendag' companies. This concerns a transaction between shareholders; these companies were already fully consolidated.

At 30 June 2017 the Group's **net financial debt position**¹ stood at € 59.2 million, compared with € 57.4 million at 31 December 2016, mainly explained by the dividend paid in 2017 in respect of the 2016 financial year (€ 6.3 million), investments and positive influence by the improvement in working capital.

¹ Net financial debt = Financial debts less current cash.

4. INVESTMENTS (CAPEX)

Total investments in the first half of 2017 amounted to € 2.7 million, of which € 0.2 million acquisitions, € 1.4 million investments in intangible assets (mainly software) and € 1 million in fixed assets (mainly machinery and office furniture).

5. SIGNIFICANT EVENTS IN THE FIRST HALF OF 2017 AND AFTER

- In January 2017, Roularta Media Group, along with Duval Union, started the Roularta Mediatech Accelerator programme for nine start-ups. The start-ups received 'Media for Equity', housing & infrastructure, are provided with 'knowledge and experience', complimentary membership to MediaNet, mentoring, access to data & technology, and € 25,000 in financing. In June we looked back on a successful first edition of this 18-week project.
- In March, a capital increase of € 5 million took place in Storesquare NV, with RMG subscribing for € 3.6 million, making the current participation percentage 71.18%.
- In April, RMG participated in a limited capital increase in Proxistore. RMG today holds 46% of the shares.
- Mrs Coralie Claeys replaced Mrs Caroline De Nolf in the Board of Directors of RMG.
- In June, RMG increased its shareholdership from 50% to 75% for the entities around the brand 'Open Bedrijvendag'. This additional percentage was acquired from Twice Entertainment NV on 01/06/2017. This did not result in any change to the consolidation scope. The remaining 25% is held by Voka CVBA.
- In June, RMG withdrew from the companies Twice Entertainment NV and Twice Technics BVBA, since they were no longer considered to be strategic.
- In June, the company Press Partners BV, a 100% subsidiary of Senior Publications Nederland BV, was sold in full to the Bayard Group, the joint venture partner for Plus Magazine Netherlands. This had no significant effect on the results.
- At the beginning of July 2017, Roularta Media Group acquired the two companies around the STERCK brand. This group is active in B2B 360° marketing solutions for the local business community in the provinces of Antwerp and Limburg, and reaches out to this community via events and STERCK magazine.
- At the end of July 2017, Roularta Media Group bought out the first contracts that expired related to the Econocom lease.

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 of 2017 shows an evolution in revenue in line with the print, audiovisual and internet activities for the first half of the year, but with large variations from month to month, and increasingly later bookings. The readers' market is stable thanks to the subscriptions.

The new activities, like mobile telecommunications, Storesquare and Digilocal, ... are demanding additional investment 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	30/06/17	30/06/16
Sales		132,570	143,035
Own construction capitalised		770	1,073
Raw materials, consumables and goods for resale		-32,536	-35,622
Services and other goods		-49,975	-50,277
Personnel		-48,754	-48,497
Other operating result		-1,209	-1,041
<i>Other operating income</i>		1,853	2,123
<i>Other operating costs</i>		-3,062	-3,164
Restructuring costs: costs		0	0
Share in the result of associated companies and joint ventures		7,963	11,240
EBITDA		8,829	19,911
Depreciation, write-down and provisions		-5,446	-3,705
<i>Depreciation and write-down of intangible and tangible assets</i>		-5,696	-4,698
<i>Write-down of debtors and inventories</i>		-174	117
<i>Provisions</i>		424	876
<i>Impairment losses</i>		0	0
Restructuring costs: provisions		0	0
Operating result - EBIT		3,383	16,206
Interest income		443	749
Interest expenses		-2,870	-3,064
Operating result after net finance costs		956	13,891
Income taxes		-455	30
Net result of the consolidated companies		501	13,921
Attributable to:			
Minority interests		-780	-801
Equity holders of Roularta Media Group		1,281	14,722
Earnings per share	in euros		
Basic earnings per share		0.10	1.18
Diluted earnings per share		0.10	1.17

2B. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	in thousands of euros	30/06/17	30/06/16
Net result of the consolidated companies		501	13,921
Other comprehensive income of the period			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences		-25	-17
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Non-current employee benefits - actuarial gain / loss		0	0
Share of non-reclassifiable other comprehensive income of joint ventures and associates		13	-22
Other comprehensive income of the period		-12	-39
Total comprehensive income of the period		489	13,882
Attributable to:			
Minority interests		-780	-801
Equity holders of Roularta Media Group		1,269	14,683

3. CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS	in thousands of euros	30/06/17	31/12/16
Non-current assets		295,379	307,445
Intangible assets		82,842	84,399
Goodwill		0	0
Property, plant and equipment		54,311	56,023
Investments accounted for using the equity method		134,463	127,722
Available-for-sale investments, loans and guarantees		2,072	2,470
Trade and other receivables		824	15,568
Deferred tax assets		20,867	21,263
Current assets		143,701	135,756
Inventories		5,341	6,236
Trade and other receivables		82,652	73,989
Tax receivable		256	284
Short-term investments		0	46
Cash and cash equivalents		46,775	50,565
Deferred charges and accrued income		8,677	4,636
Total assets		439,080	443,201

LIABILITIES	in thousands of euros	30/06/17	31/12/16
Equity		219,175	224,055
Group's equity		216,162	222,293
<i>Issued capital</i>		80,000	80,000
<i>Treasury shares</i>		-23,821	-23,931
<i>Retained earnings</i>		156,932	163,224
<i>Other reserves</i>		3,042	2,966
<i>Translation differences</i>		9	34
Minority interests		3,013	1,762
Non-current liabilities		117,115	118,842
Provisions		6,902	7,380
Employee benefits		5,153	5,079
Deferred tax liabilities		521	521
Financial debts		104,502	105,825
Trade payables		0	0
Other payables		37	37
Current liabilities		102,790	100,304
Financial debts		1,513	2,229
Trade payables		38,265	42,266
Advances received		17,085	17,582
Employee benefits		16,728	13,497
Taxes		869	771
Other payables		15,955	16,242
Financial derivatives		0	0
Accrued charges and deferred income		12,375	7,717
Total liabilities		439,080	443,201

4. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Cash flow relating to operating activities	in thousands of euros	30/06/17	30/06/16
Net result of the consolidated companies		501	13,921
Share in the result of the companies accounted for using the equity method		-7,963	-11,240
Income tax expense / income		455	-30
Interest expenses		2,870	3,064
Interest income (-)		-443	-749
Losses / gains on disposal of intangible assets and property, plant and equipment		-14	10
Losses / gains on disposal of business		-35	-399
Dividends received from companies accounted for using the equity method		1,500	1,550
Non-cash items		5,427	3,789
<i>Depreciation of (in) tangible assets</i>		5,696	4,698
<i>Impairment losses</i>		0	0
<i>Share-based payment expense</i>		63	79
<i>Losses / gains on non-hedging derivatives</i>		0	0
<i>Increase / decrease in provisions</i>		-424	-876
<i>Unrealised exchange loss / gain</i>		0	0
<i>Other non-cash items</i>		92	-112
Gross cash flow relating to operating activities		2,298	9,916
Increase / decrease in current trade receivables		5,729	4,760
Increase / decrease in current other receivables and deferred charges and accrued income		-3,511	-2,252
Increase / decrease in inventories		854	-899
Increase / decrease in current trade payables		-4,001	-4,526
Increase / decrease in other current liabilities		2,684	-2,645
Other increases / decreases in working capital (a)		2,131	3,840
Increase / decrease in working capital		3,886	-1,722
Income taxes paid		-64	-946
Interest paid		-318	-504
Interest received		378	115
NET CASH FLOW RELATING TO OPERATING ACTIVITIES (A)		6,180	6,859

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

Cash flow relating to investing activities	30/06/17	30/06/16
Intangible assets - acquisitions	-1,393	-1,474
Tangible assets - acquisitions	-1,039	-2,409
Intangible assets - other movements	5	1
Tangible assets - other movements	14	19
Net cash flow relating to acquisition of subsidiaries	-231	-450
Net cash flow relating to disposal of subsidiaries	125	0
Net cash flow relating to loans to companies accounted for using the equity method	-375	122
Available-for-sale investments, loans, guarantees - acquisitions	0	0
Available-for-sale investments, loans, guarantees - other movements	399	15
Increase / decrease in short-term investments	46	0
NET CASH FLOW RELATING TO INVESTING ACTIVITIES (B)	-2,449	-4,176
Cash flow relating to financing activities		
Dividends paid	-6,267	-6,253
Movement in capital	0	0
Treasury shares	110	258
Other changes in equity	700	-115
Proceeds from current financial debts	134	614
Redemption of current financial debts	-1,273	-1,393
Proceeds from non-current financial debts	0	0
Redemption of non-current financial debts	-925	0
Decrease in non-current receivables	0	143
Increase in non-current receivables	0	0
NET CASH FLOW RELATING TO FINANCING ACTIVITIES (C)	-7,521	-6,746
TOTAL DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-3,790	-4,063
Cash and cash equivalents, beginning balance	50,565	38,496
Cash and cash equivalents, ending balance	46,775	34,433
Net decrease / increase in cash and cash equivalents	-3,790	-4,063

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Treasury shares	Retained earnings	Other reserves	Trans-lation reserves	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 of the period			1,281	13	-25	-780	489
Operations with own shares		110					110
Dividends			-6,268				-6,268
Recognition of share-based payments				63			63
Dividends paid to minority interests						-27	-27
Effect of minority interests purchase			-1,305			669	-636
Capital contribution by minority interests						1,389	1,389
Balance as of 30/06/2017	80,000	-23,821	156,932	3,042	9	3,013	219,175

	Issued capital	Treasury shares	Retained earnings	Other reserves	Trans-lation reserves	Minority interests	Total equity
Balance as of 01/01/2016	80,000	-24,376	148,159	3,820	46	1,868	209,517
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
Balance as of 30/06/2016	80,000	-24,118	156,628	3,878	29	968	217,385

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 18 August 2017.

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 2016. For the new IFRS and improved IAS standards that have come into effect as of 1 January 2017 the reader is referred to Note 1 in the 2016 Annual Report. The application of these new or revised standards has no material effect on the Group's results or financial position.

IFRS 15 *Revenue from contracts with customers* introduces a five-step model for recognising customer-based revenue, and will apply to financial years from 2018 onward. The ongoing analysis, which will be completed in the second half of 2017, shows no material impact on the Group's results.

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 & Online 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.

30/06/17 in thousands of euros	Printed Media	Audiovisual Media	Intersegment elimination	Combined total	Effect IFRS 11	Consolidated total
Sales of the segment	142,447	90,673	-417	232,703	-100,133	132,570
<i>Sales to external customers</i>	142,217	90,486		232,703	-100,133	132,570
<i>Sales from transactions with other segments</i>	230	187	-417	0		0

30/06/16 in thousands of euros	Printed Media	Audiovisual Media	Intersegment elimination	Combined total	Effect IFRS 11	Consolidated total
Sales of the segment	152,144	89,426	-623	240,947	-97,912	143,035
<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

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.

30/06/17 in thousands of euros	Printed Media	Audiovisual Media	Combined total	Effect IFRS 11	Consolidated total
EBITDA	2,914	13,537	16,451	-7,622	8,829
EBIT	-2,927	10,074	7,147	-3,764	3,383
Net result	-6,023	6,524	501	0	501
Depreciation, write-down and provisions					
<i>Depreciation and write-down of intangible and tangible assets</i>	-6,191	-3,710	-9,901		
<i>Write-down of debtors and inventories</i>	-158	62	-96		
<i>Other provisions</i>	508	185	693		

30/06/16 in thousands of euros	Printed Media	Audiovisual Media	Combined total	Effect IFRS 11	Consolidated total
EBITDA	10,542	18,097	28,639	-8,728	19,911
EBIT	6,648	16,090	22,738	-6,532	16,206
Net result	4,094	9,827	13,921	0	13,921
Depreciation, write-down and provisions					
<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>Other provisions</i>	875	202	1,077		

6.4 PENDING DISPUTES

Update of Note 25 of the Annual Report 2016: there are no material changes to the pending disputes, described in Note 25 of the Annual Report 2016.

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

Investments

In the first half of 2017 the Group invested € 2.4 million in intangible and tangible assets (first half of 2016: € 3.9 million). The investments in intangible assets are in new software (€ 1.4 million). The largest investments in tangible assets relate a.o. machinery (€ 0.6 million) and office furniture in an amount of € 0.2 million.

Sales

In the first half of 2017 there were no material disposals of (in)tangible fixed assets.

6.6 ONE-OFF ITEMS

There are no one-off items in the half-year results of 2017 and 2016.

6.7 TRADE AND OTHER RECEIVABLES - LONG TERM

At the end of 2016, this item included primarily the claim that Roularta Media Group has in connection with the sale of the French operations. This claim is interest-bearing and is guaranteed. It is payable before April 2018, and is therefore included under other short-term receivables on 30 June 2017.

6.8 ISSUED CAPITAL

There were no changes in the capital in the first semester of 2017.

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 2017 6,990 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 2017, no new share option plans were offered. In the first semester of 2017, the Group recognised € 63K (30/06/2016: € 79K) as personnel costs relating to equity-settled share-based payment transactions.

6.11 PROVISIONS

Provisions have decreased from € 7.4 million at the end of 2016 to € 6.9 million at 30 June 2017.

This evolution is largely explained by the reversal of the provision for leasing obligations related to a disused printing press pro-rated on the basis of the amounts paid in the first half of 2017 (-€ 0.7 million), and the increase in the provision for the dispute with InfoBase (€ 0.2 million).

6.12 FINANCIAL DEBTS (NON-CURRENT AND CURRENT)

During the first half of 2017, no new long-term bank loans were concluded. Besides the contractual repayments of € 1.3 million, there was a prepayment of a bank loan for € 0.9 million.

To ensure the liquidity of Roularta Media Group, new long-term credits were taken out with various principal bankers. € 47.5 million in term loans were negotiated, with inclusion in the second half of 2018 and linearly repayable until the second half of 2022. Additional committed revolving credit lines were also taken out. These amount to a total of € 47.5 million and extend until 2023. For these new loans, the existing covenants will remain applicable. We refer to Note 27 in the 2016 Annual Report for these covenants.

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
Financial debts		
- debenture	99,939	103,850

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.

6.15 DIVIDENDS

On 1 June 2017, € 6,267,644 of gross dividends in respect of the 2016 financial year were released for payment. On 1 June 2016, € 6,252,624 of gross dividends in respect of the 2015 financial year were released for payment.

6.16 RESULTS

Sales

Sales are down 7.3% on H1 2016. Adjusted revenue (excluding changes in the consolidation scope) also decreased by 7.3% since there were no changes in the consolidation scope. 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

These costs decreased by € 3.1 million compared to the first half of 2016. The purchase of raw materials at Roularta Media Group fell by € 1.2 million, mainly due to paper. The cost of general subcontracting at Roularta Media Group decreased by € 0.9 million due to lower printing costs (€ 0.4 million) and finishing costs (€ 0.4 million), including the investment in the flat back binding machine at the end of 2016. The purchase of paper for third parties fell by € 0.9 million.

Services and other goods

The services and other goods amount to € 50.0 million and are in line with last year.

	in thousands of euros	30/06/17	30/06/16
Transport and distribution costs		8,798	9,141
Marketing and promotion costs		10,062	10,943
Commission fees		2,546	2,572
Fees		13,240	13,159
Operating leases		6,072	6,021
Energy		1,095	1,124
Subcontractors and other deliveries		5,651	5,360
Remuneration members of the board of directors		199	199
Temporary workers		1,288	927
Travel and reception costs		540	408
Insurances		235	159
Other services and other goods		249	264
Total services and other goods		49,975	50,277

The biggest evolution was a decrease in advertising costs of € 0.9 million. This was mainly the result of a decrease of € 0.7 million in advertisements, due to exchange between media companies.

Personnel

The personnel expenses decreased by € 0.3 million (0.5%) compared with H1 2016.

Other operating income and expenses

A net increase by € 168K compared with H1 2016 can be explained by a decrease by € 0.3 million of the other operating income and a decrease by € 0.1 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	30/06/17	30/06/16
Medialaan group	8,015	11,396
Bayard group	733	697
Other	-785	-853
	7,963	11,240

At Medialaan, the result for the first half of 2017 was lower than in the first half of 2016, mainly due to falling TV advertising revenues, and investments in telecom. We note a slight increase in the result for the other affiliates and joint ventures.

Depreciation

The depreciation amounts to € 5.7 million and is € 1 million higher than last year. € 0.8 million of this increase is due to depreciation on titles for which a change in accounting estimate was made, and the expected life span was changed from indefinite to fixed.

Financial income and expenses

in thousands of euros	30/06/17	30/06/16
Financial income:	443	749
- interest income	443	749
Financial costs:	-2,870	-3,064
- interest expense	-2,870	-3,064

The decrease in interest revenue is largely due to the partial repayment of the interest-bearing debt in connection with the sale of the French operations.

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 2017 is offset by the recognition of an additional deferred tax asset, bringing the tax rate in the income statement to nil. In addition, there was a reversal of an active deferred tax liability amounting to € 0.4 million at a 100% controlled subsidiary.

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 2016.

6.19 DISCONTINUED OPERATIONS

The half-year results of 2017 contain no discontinued operations.

6.20 CHANGES IN THE CONSOLIDATED GROUP

a. Acquisitions

In the first semester of 2017 there were no new acquisitions.

b. Other changes

- In March, a capital increase of € 5 million took place in Storesquare NV, with RMG subscribing for € 3.6 million, making the current percentage 71.18%.
- In April, RMG participated in a limited capital increase in Proxistore. RMG today holds 46% of the shares.
- In June, RMG increased its shareholdership from 50% to 75% for the entities around the brand 'Open Bedrijvendag'. This additional percentage was acquired from Twice Entertainment NV on 01/06/2017. This did not result in any change to the consolidation scope. The remaining 25% is held by Voka CVBA.
- In June, RMG withdrew from the companies Twice Entertainment NV and Twice Technics BVBA, since they were no longer considered to be strategic.
- In June, the company Press Partners BV, a 100% subsidiary of Senior Publications Nederland BV, was sold in full to the Bayard Group, the joint venture partner for Plus Magazine Netherlands. This had no significant effect on the results.

6.21 KEY EVENTS AFTER BALANCE SHEET CLOSING DATE

At the beginning of July 2017, Roularta Media Group acquired the two companies around the STERCK brand. This group is active in B2B 360° marketing solutions for the local business community in the provinces of Antwerp and Limburg, and reaches out to this community via events and STERCK magazine.

At the end of July 2017, Roularta Media Group bought out the first contracts that expired related to the Econocom lease.

During the month of July, the Belgian government concluded the 'summer agreement'. This agreement contains insufficient data to calculate the impact on Roularta Media Group. We expect to have greater clarity at the end of the year to allow an initial assessment of the impact.

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

6.22 SEASONAL FEATURES

The half-year 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. On the one hand, advertising expenditure decisions are taken at the last moment, so visibility is limited. On the other hand, 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. As of today, in preparation for repayment of the bond in October 2018, the Group has taken out new credits with its principal banks, thus ensuring the Group's liquidity in the medium term.

The Group is also exposed to credit risks on its customers. Internal and external credit checks are used in order to manage these risks. 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 2016 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.

Xavier Bouckaert, CEO

Rik De Nolf (Chairman of the Board of Directors)

Jeroen Mouton, CFO

9. AUDITOR'S REPORT

Report on the review of the consolidated interim financial information of Roularta Media Group NV for the six-month period ended 30 June 2017

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 2017, 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 Accounting Standard (IAS) 34, 'Interim Financial Reporting' as adopted by the European Union.

The consolidated condensed statement of financial position shows total assets of 439,080 (000) EUR and the consolidated condensed income statement shows a consolidated profit (Group share) for the period then ended of 1,281 (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, 18 August 2017

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