



de Persgroep

**Annual report
2004**

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Chairman's preface



Ludwig Criel

Dear Shareholder,

On behalf of the Board of Directors, I have pleasure in presenting the results for 2004. The group has followed up on its strong performance in previous years by again recording outstanding results.

Operating income rose by no less than 15% to €384.1m. De Persgroep recorded a consolidated net profit of €27.6m, representing a further increase of 15.4% on 2003.

Our group's radio and television activities, concentrated at Vlaamse Media Maatschappij, performed very strongly. Our radio business, in which Q-music successfully positioned itself as the fastest-growing channel in Flemish radio in 2004, deserves special mention. In the television business, our relations with the public broadcasting channel remain tense. With the creation of Sporza, VRT has once again trampled on both the letter and the spirit of the management agreement. Despite these difficult circumstances, the personnel at our television channels have also achieved a growing result through their creativity and inventiveness.

Board of Directors

From top to bottom row,
from left to right.

Emmanuel Van Thillo
member of the board

Eric Verbeeck
member of the board

Léon Seynave
member of the board

Christophe Convent
secretary-general

Christian Van Thillo
chief executive officer

Ludwig Criel
chairman

Karel Van Miert
member of the board

In our publishing activities, our first steps outside Belgium were taken in 2003 with our investment in Het Parool. The fact that break-even point has nearly been reached after just a year proves that our group's operational model can also yield results abroad. This augurs extremely well for the future! Our group has also decided to invest in a completely new, modern printing press at a new site in Lokeren. This press will allow us to support the continued growth and development of our publishing activities.

However, these positive developments at De Persgroep have only been possible through the unflagging dedication of each of our employees. Their creativity alone has made such success possible. On behalf of our Board of Directors, I would like to thank them all for the talent with which they ensure this group's continued growth on a daily basis.

Ludwig Criel
chairman of the Board of Directors



An ambitious strategy



Christian Van Thillo

2004 was another good year for our group. A great deal of effort was made at all levels to improve our existing media and several new initiatives were also taken. We took up a number of challenges as well and were successful in the most important ones. At VTM we set up an integral modernisation process. Q-music made its breakthrough with the mass public, Het Laatste Nieuws came out with a completely new weekend paper, De Morgen launched a weekly magazine supplement and a new daily section 'Ego', Het Parool switched over to tabloid format, Dag Allemaal underwent a successful restyling and new magazines and city magazines were launched. And finally, Vacature surprised all and sundry by making radical changes to the way it is distributed.

Last year was also the moment when it was decided to build a brand new printing and distribution centre in Lokeren. In 2006, De Morgen will be printed there for the first time and in 2008, the entirety of our newspaper production will be transferred to what is surely the most modern printing company in Europe.

In 2004 our take-over of Editeco together with the Rossel group was approved by the competition watchdog authorities. This means that we can now really go to work on our strategy for expanding the financial media.

At VMMa another provisional agreement was signed with Telenet for the takeover of Canal+. This means that we start going live with cable distribution for pay television and we can look into the best ways of developing applications for this new age of digital television. But in the same way that we approached the Internet once upon a time, we want to go about this in a realistic manner in line with the pace of take-up of this new technology among the public.

2004 was also the year when considerable investments were made in electronic services on the Internet. Our group was the most conservative media company when the Internet revolution was all the rage at the end of the nineties. When the bubble burst, the majority of pioneers were left powerless to do anything but lick their wounds. But even the media that had helped create all the hype became more conservative in their reporting on developments concerning the Internet. And yet a lot has changed in the last few years and there's no stopping the developments taking place in electronic media. It is wrong to talk about the new Internet generation; because Internet and mobile communications have an enormous impact on the lives of both the young and the old. Soon these will be joined by interactive digital television. New technology means that viewers will have the choice of spreading their viewing time over a lot more stations and they will also have video-on-demand, pay-per-view and other inter-active applications that will all be available in the short term.

Group committee of De Persgroep



Christophe Convent
secretary-general
De Persgroep



Peter Quaghebeur
general manager
Vlaamse Media
Maatschappij



Rudy Bertels
general manager
Aurex



Xavier Verellen
commercial manager
Aurex



Piet Vroman
financial manager
De Persgroep

It has taken the Internet a number of years to make its mark among the mass public. But now it is here to stay and nobody can ignore the fact that this phenomenon will have an enormous influence on our lives and the way we do business. The opportunities for media companies presented by the Internet are legion and the greatest success stories have not yet seen the light of day. This is why our group is now investing intensively in the opportunities that this new medium offers us.

De Persgroep is in great position to increase its existing strong position even more in this new media world, where a clear vision, accurate timing and creative talents will again be essential conditions of success. This does not mean that our existing media will no longer be treated with our usual passion, on the contrary, changes to the competitive environment mean that all different media must continue to evolve and change in order to maintain their uniqueness.

We are convinced that newspapers and magazines still have a very bright future, but that only strong market leaders can expect to enjoy sustainable and positive results. In our ongoing evaluation of the media brands that make up the De Persgroep, we have to constantly ask ourselves: How can we strengthen our leading media brands even further and do our other brands have the potential to become market leaders? The real skill lies in ensuring that you know how to attract talented senior editors and programme directors and how to keep them. Media are driven by content and propelled by individuals who have a clear vision and enormous drive. They are the real stars of an excellent media company. And because these kinds of people only want talented colleagues in their team, you almost always automatically get quality people throughout. This is the core of our success and we have to be aware that this is what drives the future of our enterprise.

To this end we work with motivated teams who ensure that we perform as efficiently as possible in all areas of the business. The aim of De Persgroep is, in the first instance, to make successful

media, but to also keep an eye on financial performance. We have succeeded in producing positive and almost uninterrupted growth in turnover and profits for a great many years. 2004 was yet again an excellent year and I would like to congratulate all our staff for their contribution to this success. It will probably be impossible to match these figures in 2005. We are investing considerable sums in our new print operation and a particularly large number of projects will unavoidably bring pressure to bear on the group profits. But we believe these are well-founded and conscious investments in our company's future.

We want to maintain the focus on our existing media, but we also want our group to forge ahead towards a media world that is in constant growth and one that holds hitherto unknown possibilities. So I would like to personally express word of thanks not just to my colleagues from the Group Committee who are each and every one fantastic media entrepreneurs, who respond positively to the great demands that our company puts on them. Together we define our strategy and we map out the future of the De Persgroep. In these rapidly changing market conditions this means that we have to take more risks than ever before. And so this is why our Board of Directors also deserves a pat on the back. We are on a very ambitious course and the confidence that our managers have put in us to achieve our objectives is gratifying indeed.

It is a great pleasure to have the opportunity to run this group. The enthusiasm of all our staff and the unique corporate culture of De Persgroep give me full confidence in the future.

Christian Van Thillo
chief executive officer



Koen Clement
general manager
Magnet Magazines



Dirk Velghe
general manager
Vacature



Wim Coessens
general manager
De Morgen



Frits Campagne
general manager
Het Parool



Jaak Smeets
executive editor
De Persgroep

The newspaper of a million



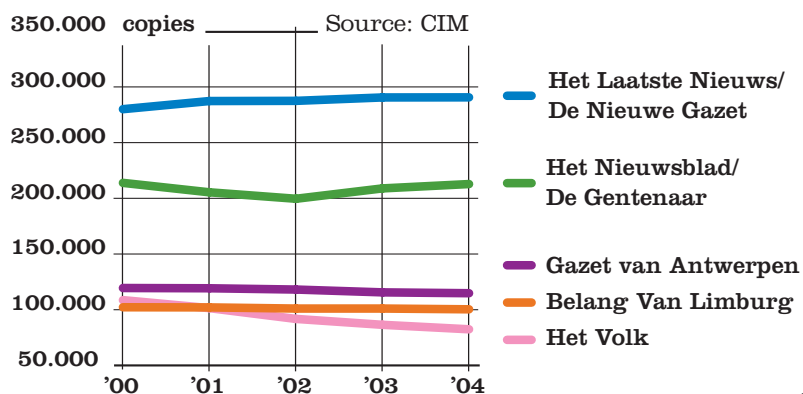
Last year Het Laatste Nieuws was the first and only newspaper ever to pass the magic one-million readership mark, recording no fewer than 1,064,000 readers. This means that over one in three newspaper readers in Flanders enjoyed the redesigned weekend newspaper, the expanded Monday paper and the original and sometimes daring promotional offers. It comes as no surprise, then, that Het Laatste Nieuws was voted the strongest newspaper brand in the national brand competition for the second year running.

The Saturday issue was transformed into a real 'weekend paper', with a judicious blend of news, interviews and background stories. In addition, the two new supplements Relax and Reizen appeared, and the monthly luxury magazine XL was launched. Adding to its already rock-solid reputation as a sports paper, Het Laatste Nieuws also invested in an extra sports section on Monday. These endeavours were rewarded with a 15% increase in sales.

2004 was an election year. Together with the Free University of Brussels, the newspaper organised a daily opinion poll on the Internet. Readers could register at www.stemmenkampioen.be and express their political preferences on a daily basis. 'De Stemmenkampioen' made it clear that voters nowadays hesitate about their choice right up to the last moment, and also revealed why. Interesting for readers, and probably even more so for the politicians among our readership.

Het Laatste Nieuws can now also claim to be the most feminine newspaper in the country: 48% of its readers are women. No other daily does better. Het Laatste Nieuws was also the most widely read newspaper among the 18-54 age group.

Evolution sales general interest newspapers



*A different rhythm at the weekend

“Het Laatste Nieuws gained 8% more readers last year. We mainly gained these from among the highly educated and among women, groups you mainly have to reach at the weekend,” says Xavier Verellen, Commercial Director of Aurex. “The newspaper had already been ‘feminised’, but you especially notice this in the weekend paper. It goes deeper and wider, with longer interviews and the Relax and Reizen supplements. Fashion, the home, travel: these are subjects that appeal to women and the highly educated. If the paper during the week is more news-oriented, the weekend paper has a completely different rhythm. It needs to, because it has to remain relevant

from Saturday morning to Sunday evening.” “Precisely because of that different rhythm, the art book offer was perfect for the weekend paper. A few years back, an art book offer of that kind would have been unthinkable. But the readers were ready for it.” “The new luxury magazine XL also fits in with that weekend rhythm. Because it is published monthly, it does not have a current affairs orientation. XL works around themes in which photos are very important: fashion, holidays, Christmas and the New Year, interiors and so on. These really come into their own on glossy papier and in special format.”



The growth in the newspaper’s reach was situated mainly among readers with higher education and from the higher social classes. The total readership increased significantly by 8% to 2,464,000 readers or 48% of the entire population of Flanders.

In the area of promotional offers, there were extra treats for young children. 125,000 Mickey Mouse soft toys were distributed – around 38 truckloads. The success of the children’s book campaign also surpassed all expectations. 300,000 copies of the first book about Robin Hood found their way to young readers.

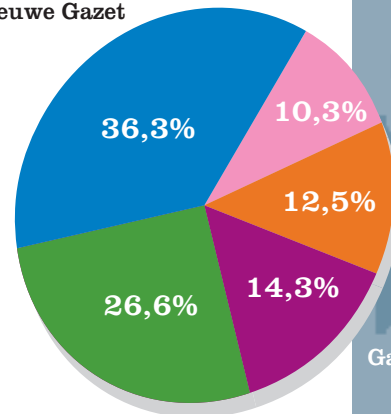
There was something for the adults too, with promotional offers on art books, aerial photos of their local area, greatest hits CDs of Abba and others and DVDs of classic films such as ‘Platoon’.

Since 2004, Het Laatste Nieuws is printed every day not only in Spain, but also in France, Turkey and the Canary Islands. During the summer holidays the newspaper is for sale in 21 countries.

The newspaper also caught people’s attention on-line. In 17 months’ time, the website www.hln.be became Belgium’s most visited information website, with a total reach of 733,366 unique visitors per month.

Market shares sales general interest newspapers

Het Laatste Nieuws/
De Nieuwe Gazet



Het Nieuwsblad/
De Gentenaar

Source: CIM

Het Laatste Nieuws/De Nieuwe Gazet • national general interest paper • 1.064.000 readers • daily sales 290.628 copies • sales price: weekdays € 0.90/weekend € 1.10 • since 1888 • editor-in-chief: Paul Daenen • www.hln.be • advertising: Impact www.impactregie.be and Full Page www.fullpage.be • publisher: Aurex nv

The urge to know



Once again last year, De Morgen came out with numerous high-profile reports produced by inhouse talent. Thus journalist Ayfer Erkul, in the run-up to negotiations over Turkey's accession to the European Union, travelled to the land of her forebears. In Flanders, Filip Rogiers gave young people a voice by spending a year following the fortunes of eight young people between the ages of 12 and 20. The two series received 'the Editor-in-chief's seal of approval', a new label for outstanding writing.

A team of De Morgen reporters travelled to the United States to report on the presidential elections, under the heading 'Bureau Amerika'. Deeper insight into American society was provided by Rudi Rotthier, who followed up on his much-discussed Koran route with a journey through the USA. The Flemish and European elections occasioned five election specials. Also worthy of note was the 'Flanders Brains' series, in which over 3,000 academics participated in a first survey of the state of affairs in the world of education, research and development.

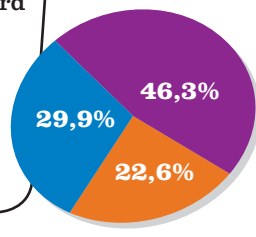
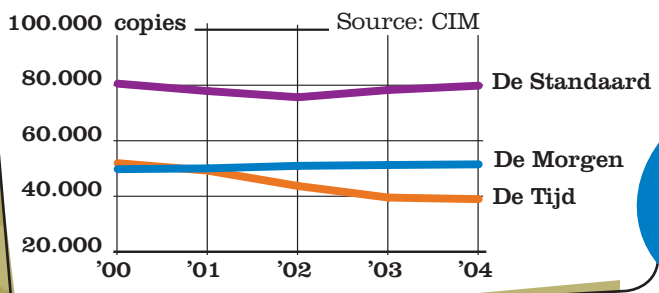
Ego, the new section which appears from Tuesday to Saturday, enthalls readers with reports on private life, from health to food to relationships. The second major editorial development is that DM-magazine, the glossy supplement covering fashion, lifestyle and related topics, now comes out weekly rather than monthly. Partly thanks to these new developments, De Morgen drew up to 30% more female readers in 2004. The male/female ratio is now 54:46. The newspaper also gained readers among young people aged 15 to 20, students and 35-to 44-year-olds. 62% of the total number of readers are younger than 44. De Morgen now has a total of 243,000 readers, an 8% increase on 2003.

Special offers also contributed to this success. Last year, readers were able to collect Ideeën, the Dutch translation of a much-discussed book by Felipe Fernandez-Armesto covering the most important ideas from world history. Moreover, they could collect a unique set of 20 supreme masterpieces from the world's erotic literature in autumn.

De Morgen was rewarded for its innovative strength and creative verve with the European Newspaper Design Award in the 'national dailies' category.

The De Morgen website - now one year old - was further developed, and issues its own newflashes and reports, in which the best from the newspaper is bundled and supplied with additional commentary. For non-subscribers, who normally lack access to the website, the newspaper has started a one-day ticket system. Purchasing a ticket via sms gives 24 hours' access to the website.

Sales evolution quality papers



Market shares sales quality newspapers

De Morgen • national quality paper • 243.000 readers • daily sales 51.495 copies • sales price: weekdays €1,00/weekend €1.50 • since 1978 • editor-in-chief: Rudy Collier (until March 2005); editor-in-chief: Yves Desmet (since March 2005) • www.demorgen.be • advertising: Impact www.impactregie.be and Full Page www.fullpage.be • publisher: Uitgeverij De Morgen nv

A big and small year

2004 might be described as both a big and a small year for Het Parool, being marked by the switchover on 31 March from broadsheet to tabloid format. Of equal importance was the emphatic focus and positioning on Amsterdam. Intensive preparations preceded the changeover, on both the editorial and the commercial fronts. The editorial team prepared for a more streamlined organisation with the help of De Persgroep's executive editor Jaak Smeets. The Dutch editorial guru Leon de Wolff confronted the senior editors with journalistic production and the readers' wishes. The world-renowned newspaper designer Mario Garcia worked with layout specialists at the paper itself to develop a new tabloid-oriented design.

In the meantime, every effort was made to inform advertisers of the new format. Het Parool commissioned research into the impact of adverts in tabloids versus broadsheets, and it turned out there was no difference. A page is a page.

On the promotion and circulation side, all holiday leave was cancelled in order to make a success of the launch together with new advertising agency Ubachs Wisbrun. Not a single Amsterdam resident missed the prize-winning 'Geef mij maar Het Parool' campaign.

The effects of the overhaul operation became obvious very quickly. Eight months after the switch, Het Parool had 5% more regular subscribers – in a shrinking newspaper market. During the period from April to December, the newspaper's single-copy sales averaged 450 more copies than in the same period in 2003.



*Trophies

- Het Parool journalist Kurt van Es (55) received the 2004 Daily Newspaper Journalism Prize in September for his report on a repeat offender in Amsterdam who was able to pursue a virtually unchecked career of intimidation, abuse and vandalism - all the way through to assault and robbery - from the age of fourteen to twenty. The report also pilloried the ineffective system: the youngster came into contact with the police an amazing 86 times, but was never punished. "Considerable journalistic stamina and a successful long-term project, ably researched, constructed and written up," was how the panel of judges described it. 4,500 euros and a trophy come with the prize.
- In June, specialist journal Mediafacts voted 'Geef mij maar Het Parool' the best media campaign of 2004 at the National Publishers' Congress in Rotterdam.
- Dutch female designer Hella Jongerius praised Het Parool in the NRC-Handelsblad as the best product of 2004, for its new format and its high degree of accessibility. "I'm a true Rotterdammer myself and I read the NRC-Handelsblad, but it's slightly lacking in pizzazz. Amsterdam's Het Parool is much better suited to my everyday life. I would love a Rotterdam version of Het Parool."
- Het Parool received the European Newspaper Award 2004 in the 'regional newspapers' category.

Het Parool • Amsterdam city paper • 228.000 readers • circulation: 85,729 daily copies (HOI) • sales price: weekdays € 1,00/weekend € 2,00 • since 1940 • editor-in-chief: Eric Van Gruijthuisen • www.parool.nl • Advertising: Nationale Regio Pers (national), Het Parool (regional) and Zadkine (classifieds) • publisher: Het Parool bv

Attention to design rewarded

Last year, De Morgen and Het Parool received the coveted



The creator of the award, Norbert Küpper, talks about what makes a successful newspaper.

by Jesse Brouns

The European Newspaper Award has existed since 1999. 161 newspapers entered in the first year, and this year there were no fewer than 334 contestants. "And the number of participants keeps on growing," says the German creator of the award, Norbert Küpper, himself a newspaperman (he has worked as a newspaper designer and consultant for newspapers in Germany, Austria, Poland, Italy, the Czech Republic, Belgium and the United Arab Emirates). In past editions, the prize went to papers such as The Guardian, the Frankfurter Allgemeine Sonntagszeitung and the Corriere della Sera. In 2004, two titles published by De Persgroep won an award, which is an exceptional occurrence. De Morgen was voted the best designed national newspaper, while Het Parool won in the regional dailies category.

What were the panel of judges looking for? "We assess a newspaper's layout and design," says Küpper. "The content of the articles is not taken into account. Given the language differences, that would in any case be impossible. You can analyse a newspaper without reading it - identify whether the standard is low or high, whether the paper is significant or insignificant, national or regional. In fact, it's actually easier to assess a newspaper's design if you can't read it, as it means you're less easily distracted. A few years ago, we voted Goienkaria the best local paper in Europe. It's a Basque paper - even our colleagues from the rest of Spain can't read it."

Lucy Prijs-Groeneweg
Art Director
of Het Parool



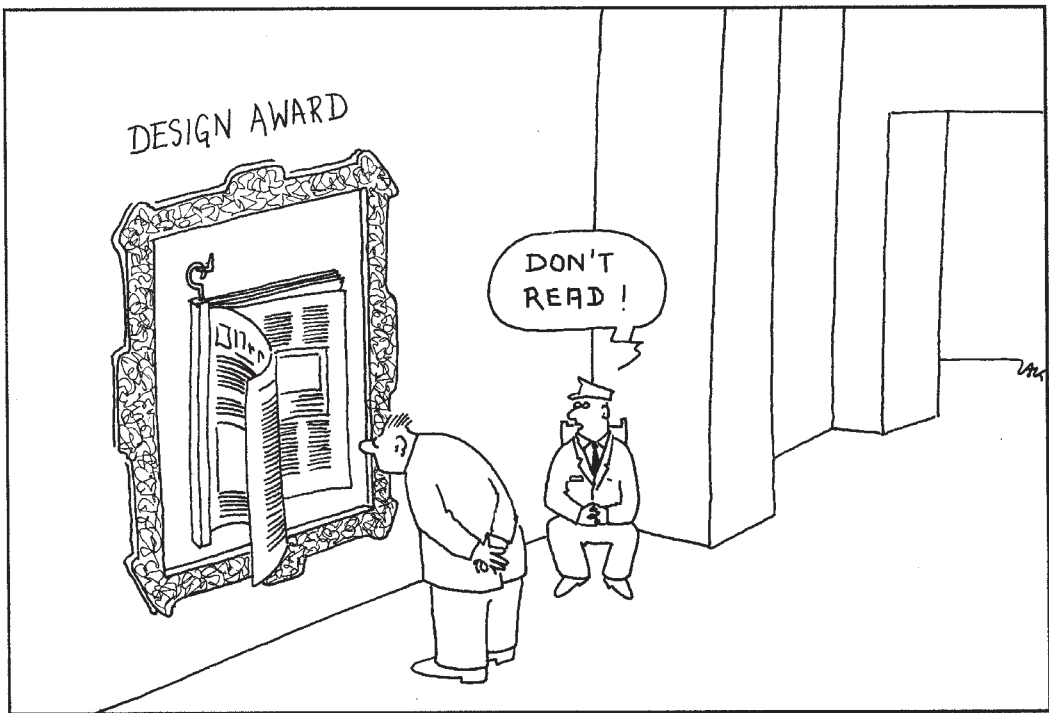
Martin Huisman
Art Director
of De Morgen

The panel about Het Parool

"Light and serious – these two words would suffice to summarise the appearance of Het Parool. Lightness is achieved through the light, summery touches of colour and the white space. Seriousness – which a regional paper needs – is achieved through the classical font for titles and the clear, simple composition of the pages."

The panel about De Morgen

"De Morgen stood out in a series of categories: front pages, photo reportages, supplements. Why? Because the newspaper does not go with the mainstream, but capitalises on its own creative potential. The result is an individual, unmistakable newspaper which could serve as a model for European newspaper design."



One of the points the international panel for the European Newspaper Award considers is the interplay of text and image. As Küpper puts it: "Are the articles given a reader-friendly make-up? How are info boxes, breakers and quotations used?" A better than average design is expected of the selected papers. "A nicely designed paper isn't enough. We also demand a high standard in terms of use of pictures. How are photos used? Is there enough variation? The layout of the pages must be neither too uniform nor too varied. If it's too uniform, it's tedious, and if it's too varied it can easily look chaotic."

"The award winners," says Küpper, "are invariably unconventional, unusual, creative and innovative." A description which certainly fits Het Parool and De Morgen. The latter was praised by the panel for its creative versatility of subjects and design. "The panel was impressed by the large number of supplements, and by the special design of sections such as Reporter. What's more, the supplements are designed together with the daily. The typography may not be of the topmost standard, but the quantity of unique content which is conveyed in the space of a week, and in a creative manner, is enormous. De Morgen has far more than just news agency reports. The paper goes its own way. The content is different from that of other papers."

Het Parool switched over to tabloid format last year, as did various other European papers. Is that a good thing? "We all want a reader-friendly paper. There should be a good level of readability, clear guidance for the reader, good visualisation of the theme of a story. Reducing the format of a paper is a reader-friendly move. But the tabloid format also has drawbacks. Tabloid means half the standard format. Due to technical restrictions, you can only have one set of pages, meaning you can't work with sections. And this in turn means that it's not always easy for readers to locate the various sections. My personal preference is for the Berliner format. It's small, but also makes multiple sets of pages possible. The Guardian in Britain is switching over to that format, and I've heard that various Belgian newspapers are also planning to do so.

De Morgen and Het Parool look remarkably different from most established newspapers. Is there still space for such individualism in a media world which seems increasingly obsessed with easily recognisable formats? Of course there is, according to Küpper. "Free papers such as Metro demonstrate that newspapers can use the same design around the world. But most traditional newspapers are deeply rooted in the traditions of their country or region. Virtually all French-language papers take a similar form, whether they're published in Belgium, France, Switzerland or Africa. Maybe the world really has become globalised and formatted. But as you travel from one country to another, you still see differences in thousands of details. Those differences are reflected in people's lifestyles — and in their newspapers. There's no way that everything will be identical in the future. You can see that from the newspapers in our selection. Each and every one has a distinct, separate look. An individual design is a mainstream feature.

What does Küpper think the newspaper of the future will look like? "It has a small format, it's full colour, it has a reader-friendly guidance system and it offers a complete overview of all important matters for the day. Pictures are used intelligently in it. The content is like that of De Morgen today: out of the ordinary, surprising.

the newspaper of the future according to Norbert Küpper:
 compact format • full colour on every page of the newspaper •
 reader-friendly stories, split up into different parts • individual looks
 and fonts, specially designed for one particular newspaper



Invigorated punch

Editeco successfully pursued its efforts to revive L'Echo in 2004.

The newspaper has been printed in colour since late 2003, and was completely revamped last year. More attractive and interesting photos, more illustrative elements such as graphs, new sections, the column 'Epinglé' and other editorial innovations have made the newspaper more attractive and accessible for a larger public. At the same time, the marketing and subscription recruitment drive was continued in 2004. The introduction of the new management in the summer of last year underlined this new verve. Thanks to these efforts, the gradual erosion of circulation figures since the stock-market downturn in 2001, was stemmed in 2004.

In the advertising market, Editeco reinforced its presence by creating a joint advertising sales organisation with the Flemish business newspaper De Tijd, under the name Trustmedia. This offers advertisers a national solution for their communication campaigns and gives L'Echo added impact.

Yet, challenges remain. Like all quality newspapers – and the economic and financial press in particular – L'Echo faces changing consumption patterns among the younger generations, the increasing impact of the Internet, downsizing and restructuring programmes among major banks and financial institutions. In 2005 once again, everything will be done to strengthen L'Echo's position further.

From job recruitment supplement to careers newspaper

All readers of all newspapers and all magazines have the right to the best possible career, says Vacature. That's why the careers newspaper, beside appearing as a supplement to newspapers, has also been obtainable separately since last year. Readers can pick it up free of charge from selectively placed, high-quality displays at 4,000 newsagents' and - thanks to a newly established distribution network - at all branches of Fnac, in the main management schools, in stations and at the airport. In order to meet the Friday evening rush, the careers paper has been published a day earlier since last year. Subscribers to De Tijd, Het Laatste Nieuws, Gazet van Antwerpen and De Morgen continue to receive Vacature with their paper.

Thanks to its cross-media approach (print, Internet and database), Vacature has succeeded in reaching its target group even more effectively. The transformation of the careers paper's content and design bore fruit right from the first issue in October: the pick-up rate immediately hit 70%. Thanks to its new distribution network, Vacature instantly became the market leader in all regions. The business world also welcomed the innovation: the new approach immediately resulted in a fast, higher-quality response, causing Vacature's market share in media investments to climb further, hitting 65% at the end of December 2004. Vacature ended the year with turnover growth of 27%.

On the Internet, the career paper launched 'Vacature CV Manager', a new user-friendly CV service, in March. By the end of December, Vacature clients were already able to consult over 48,000 high-quality CVs, while the database of registered professionals grew to over 450,000 talented men and women. With vacature.com, references.be and jobscareer.be, Vacature is now the undisputed leader among mainly international players, with a market share of 70% in terms of reach. Vacature.com closed 2004 with 32% turnover growth. The site received the Gold Award E-Publisher of the Year.

Employer Martine Kestens, HR manager opportunities, Randstad: "In our search for 46 new employees for Randstad itself, our strong presence in the new Vacature gave us a real boost. Very soon after the publication, we received some very high-quality responses for various positions, especially the management jobs. We are in any case convinced that Vacature's new selective distribution channels and daily presence are having a positive effect on the influx of high-quality active professionals."

Employee Joyce Verhees, product manager, Black & Decker: "I'm very consciously concerned with my career, and read Vacature every week. Vacature gives me both career advice and a good idea of the job market, and it features nice, interesting articles. A few months ago I noticed that Black & Decker was looking for a product manager. It was an ideal move in my career!"



18 “The four new presses will run faster and the changeover time needed between the different editions will be significantly shorter. This means the editorial team will be able to close the paper later in the evening and print a larger run. The print quality will be far better than now, the pictures will be sharper and the colours more intense,” says Bertels. De Morgen will be printed in full colour for the first time in early 2006, and Het Laatste Nieuws will follow in early 2008.

The new presses – officially known as KBA Cortinas – work with the modern dry offset process. Although this process has existed for about ten years, this is the first time it is being industrialised anywhere in the world. “Thanks to the dry offset process, the gap in quality between magazines and newspapers will be reduced,” Bertels continues. “Because the new presses have far more possibilities than the current ones, we will be able to make better use of them than is currently the case. First of all, we will print the group’s

“The circulation of De Persgroep newspapers has increased so fast in recent years that we suffer from under-capacity with our current presses,” says Rudy Bertels, general manager of Aurex. To keep up with reader demand and in order to raise the printing quality of the papers, De Persgroep has decided to invest 109 million euros in the construction of a new print centre in Lokeren.

Start the presses!



own publications on them during the day - when newspapers aren't being printed. But because their quality is so high, third parties will also want to use the new presses, meaning we can spread the fixed cost of the investment.”

The decision to replace the entire printing infrastructure in one go has made it possible to switch over to the Berliner format, which is midway between the standard broadsheet format and tabloid. Rudy Bertels: “With the Berliner, the reader actually gets a more compact broadsheet paper: its format is more convenient and it's pleasant to read because of the separate sections that we will keep.”

De Persgroep therefore opted for state-of-the-art technology when it comes to its new presses. Together with the construction of the print centre, this represents an investment of 109 million euros. “Investing in new technology is a risk, but deciding to invest in traditional technology would have been a risk too,” concludes Rudy Bertels. “We're talking about a fifteen-year investment. If this new technology breaks through and you don't take your opportunity, you can miss the train. Then your competitors will be using the new presses within five years, and you will have to wait another ten years with your traditional machines, with fewer possibilities and a lower quality. Anyway, we have no alternative. We have to invest now, or we simply won't be able to get the newspapers printed any more.”

The site • total site area: 8.9 ha • ground-level surface: ca 17.000 m²
• usable floor space: 35.000-36.000 m² • investment: 109 million euros
• 4 presses

* The people who currently work at the print center in Kobbegem will be relocated to Lokeren. Last summer, printers and mechanics from Aurex made a trip to Reiff Medien in Germany, where they were able to see the benefits of the new KBA Cortina press. “They were full of enthusiasm,” says Project Manager Jan Moens. “The new presses are much more compact, making them easier to operate and maintain. Thanks to the dry offset process, we no longer need the water roller. Fewer rollers also means less chance of problems. At present, replacing the printing plates takes a quarter of an hour, because it has to be done manually. In Lokeren, it will be done automatically, in 90 seconds. A lot of arduous, dirty tasks will be automated, making the work less tough physically. We were all very impressed with the possibilities the new presses offer.”

“Of course everyone will need to be trained for the new press. That's why we'll do test runs for a while before we start printing De Morgen for real in early 2006. It will take some adjusting, but with the new presses and our skilled personnel, we are fully confident that things will start well and work out well.” With the new print centre, the printing process will also become more environmentally friendly. Jan Moens: “The presses will be cooled with water from the nearby lake. This will save us a lot of energy. The other ecological aspect relates to dry offset. We currently use humidifier water that is treated against mould and bacteria. So the production process will become quite a lot cleaner.”

Whatever happened to...?

Would-be journalists can learn the tricks of the trade and gain hands-on experience at MediAcademie, a private training initiative set up by De Persgroep 5 years ago. But what happened to our former students? Three of them willingly told us about their MediAcademie experience, and life beyond...

Christophe De Schauvre (26) has been working for TV2Weken since March 2004. Completed his studies at MediAcademie in January 2004.

"MediAcademie was a fantastic experience. First we were given lessons in Utrecht by the famous Dutch journalist Frénk van der Linden, among others. I had previously studied communication management, which included writing newspaper articles, but to hear such a legendary interviewer gave me a completely different view of journalism. In Paris we learned how a newspaper is compiled and in London we were allowed to film a TV programme and present the news. That's where I discovered that television journalism is not my cup of tea. And that's what's great about MediAcademie: you get the chance to discover what you prefer doing, and in my case that meant writing.

"I found it really interesting to gain hands-on experience at Het Laatste Nieuws as well as De Morgen, because they are both so different. Both newspapers have their own way of working and each is read by a different audience. At Het Laatste Nieuws you have to be able to explain everything in ten lines, at De Morgen you don't have to compress copy so much."

"In the meantime I've started working for TV2Weken. It has been a unique experience to get the chance to set up a completely new magazine in such a short amount of time. They were the most demanding but also the best two weeks of my life. The ambition of some novice journalists is to work on the biggest journalistic research projects. For me the future is simple: to work on the next issue of TV2Weken. Even if it only means putting together copy for press, I find that every piece I write has to be the very best thing I have ever written. The fact that I can make a living from the 26 letters of the alphabet, is totally fascinating."

Elke Pattyn (25) has been working for VTM's Het Nieuws since August 2004. Completed her studies at MediAcademie in January 2004.

"I was seven when I watched the announcement on the news that the Herald of Free Enterprise was sinking. From that moment on I knew that I wanted to be a TV journalist. I studied Germanic languages and journalism at Vlekho Business School, and then ended

up at MediAcademie. There, we were given a taste of how things work in practice. In Utrecht we learned how to write newspaper reports, in Paris how to compile a newspaper and in London – this was the best – how to make radio and television programmes. Our teacher, a woman who had worked for the BBC for years, sent us out on the streets to do an item on potholes in the road. We learned to think in images and how you can draw viewers immediately into a report.

"I gained work experience at Q-music and VTM's Het Nieuws. After this I went to work for Q-music, first as an editor and later as editor-in-chief. I was really happy in that job, but when you work for the radio, you spend all day indoors. I wanted to get back to television. So I went knocking on the doors of the editors-in-chief until I got my break.."

"I have been working for about eight months in the editorial team of Het Nieuws now. We actually cover everything, from strikes to reports on concerts. In a few years I'd like to be ready to cover big events such as the Tsunami. I want to be an editor-in-chief or anchor person, I just want to be on the beat and be there when news is being made. This work is great, I don't want to do anything else. Not yet anyway."

Evy Ballegeer (28) has been working as a freelance correspondent in New York for

Vacature, De Morgen and TV2Weken for two years. Completed her studies at MediAcademie at the beginning of 2003.

"I am grateful to MediAcademie for the doors it has opened for me. I learned to be able to write about so many different subjects, and fast. It also made me more open-minded, and that's still useful for me today. But in the end you have to be able to stand on your own two feet."

"After my internship on the internal and external editing staff of De Morgen, I relocated to New York. I now write articles for Vacature, about Belgians who work in New York for instance. I also do interviews and write articles for De Morgen. The sort of stories that you come across in the street, that can't be made Belgium. For TV2Weken, I write about the new TV programmes that come out here. I predict trends

– sometimes good TV, sometimes bad TV – and most of the time I get it right."

"It sounds absolutely spectacular of course, being a freelancer in New York. But, whether you are a freelancer in Belgium or here, it is anything but glamorous. The work in itself is fun and varied, but for practical reasons I'd rather be a permanent correspondent."

"I learned how to work independently here within a very short time. It is a really rich experience, at a personal level too. I no longer have such a black and white image of America."



The voice of Flanders for the last 20 years



“On the cover there should be two emotions, laughter and tears. It’s that simple, because that is what life is about. Dag Allemaal has always been like this. It is still a unique format in Europe. We have a section with features on Famous Flemish People and another one with human stories, and in-between the television pages.”

Editor-in-chief Ilse Beyers talking to Marijke Libert, De Morgen, 26 February 2005

Last year, Dag Allemaal celebrated its 20th anniversary. Editor-in-chief Ilse Beyers continued the modernisation programme that was initiated in 2003. No sudden volte face or revolution, but rather subtle changes in orientation. The family magazine was given a stronger personality, but the core of the successful formula remained untouched. The biggest weekly magazine in Flanders remains, as ever, a magical mix of television and showbiz news combined with general news topics.

Dag Allemaal was given a bit more personality and – sometimes quite literally – its own voice, as it gave its readers the chance to judge the Flemish Idols jury themselves. It also brushed up its different article formats, and a less rigid layout stepped up the overall pace of the magazine. And for children Dag Allemaal launched Dag Kids – a special supplement that comes complete with games.

The anniversary number came out on 21 December: a luxury edition printed on glossy paper with a fold-out cover and glued spine. The most prominent Famous Flemish People appeared on the cover. Readers were given a small box of chocolates as a special treat. The anniversary issue achieved the best sales figures of the year, with a total of 403,220 copies sold (including Express).



Yet, Dag Allemaal held its real birthday party only on March 3, 2005, because Clouseau had already booked the Antwerp Sportpaleis for a series of concerts in December. The Wauters brothers more than made up for it with a guest appearance along with Dana Winner, Will Tura, Wim Soutaer and many others, all of who put on great performances. The best Flemish artists of the last twenty years all received Dag Allemaal Awards. For around 12,000 readers and a large number of celebrities the whole event was an opportunity to enjoy the biggest VIP party of the year.

During this anniversary year, readers were able to benefit from amazing offers at their newsagent's. The Marco Borsato DVD increased sales by 23,046 copies or 6%, and the Geert Hoste DVD even sold 32,874 copies or 9% more. The image campaign based on 'Allemaal', a song specially written by Wim Soutaer, proved that Dag Allemaal can make careers: this song took the Idols finalist right to the upper regions of the hit parade.

*Reader loyalty of Dag Allemaal is particularly strong, research reveals. When asked which magazine they would buy if Dag Allemaal no longer existed, an overwhelming number of readers replied 'nothing'. Readers particularly like the reliability, the positive attitude and the multi-faceted character of their favourite magazine. Availability is important too: Dag Allemaal was available throughout the summer months in Spain, Greece, Turkey and Germany for the first time, so that even on holiday readers were not left deprived of their favourite read.

Although Dag Allemaal has been the most widely read weekly magazine for years now, it always carried less advertising than competitors. This imbalance was finally put right last year: the most popular magazine in Flanders is now being appreciated by advertisers the way it deserves.

In spite of the price increase (from 1.70 to 1.80 euros) Dag Allemaal remains the biggest weekly magazine with sales of 336,759 copies and one and a half million readers. This means that 1 in 3 Flemings older than 12 read Dag Allemaal. This same proportion can be seen in the coverage of the active population (aged 18 to 54) and among adolescents between 12 and 24. The family magazine reaches around 30% of all target groups. In short, yet again in 2004, Dag Allemaal left its competitors way behind.

Dag Allemaal / Expres • weekly magazine • readers: 1.483.300 (LLP Dag Allemaal) and 118.700 (LLP Expres) • weekly sales: 336.759 copies (Dag Allemaal) and 33.190 copies (Expres) • sales price: € 1.80 • since 1984 • editor-in-chief: Ilse Beyers • www.dagallemaal.be • advertising: Magnet Regie www.magnet.be • publisher: Magnet Magazines nv www.magnetmagazines.be



The spiciest moment of the week

The new editor-in-chief, Isabelle Vandenberghe (ex-Joepie) and the TV-Familie team found themselves last year with the job of turning TV-Familie into the spiciest moment of the week in turn-around time. The magazine that combines royalty and showbiz news with practical tips on health, fashion and cooking, placed greater emphasis on visual material, opted for a younger and fresher layout and a more hands-on approach. This resulted in a new cover policy, bolder language and questions with a naughty edge every once in a while.

The fresher look and feel of the magazine attracted younger readers, who also contribute actively to the magazine. They call, write and mail to the editors to tell their stories. A lot of stories that appear in the magazine are actually real-life stories from readers.

TV-Familie's spicy image was also well-received among advertisers. Advertising income rose even further: a five-fold increase in five years' time.

Last year, TV-Familie was on sale for the first time during the summer months in Spain, Greece, Turkey and Germany.

This family magazine wants to make itself more visible in 2005 and create a separate niche for itself in a very competitive market. The weekly magazine, with its 116 pages for 1,30 Euro, is unparalleled as far as the price/quality ratio is concerned.

TV-Familie • weekly magazine • readers: 553.500 (LLP) • weekly sales: 139.550 copies • sales price: € 1.30 • since 1995 • editor-in-chief: Isabelle Vandenberghe • www.tvfamilie.be • advertising: Magnet Regie www.magnet.be • publisher: Magnet Magazines nv www.magnetmagazines.be

A good dose of oestrogen

Under Tinne Marrant, who started last year in April as editor-in-chief, Joepie has taken a more adventurous route. The tone of voice of the teenage magazine has become a bit more audacious and the journalists have even taken a swipe or two at stars who get carried away by their stardom. Joepie has followed the trends of its young readers, not just as they become more adventurous, but also as they become sexually active at a younger age.

Joepie answered all questions about relationships, sexuality, health and psychology in full openness and succeeded in securing itself a unique position of confidence with this age group.

The young readers kept the editorial team abreast of other teenage rules, such as the fact that you are a real nobody in puberty land if you don't have a mobile phone. Teenagers nowadays also seem to have more money to spend. Joepie also experimented with selling gadgets for the first time for an additional cost of one euro. The bikini issue achieved the best sales figure with 75,435 copies sold, an increase of over 23%. Other popular gadgets were the Garfield stamp and free photo stickers.

Joepie was given a good dose of oestrogen. The audience became more feminine and now comprises 60% girls and 40% boys. This is why Joepie posters are now adorned mainly with girls' idols, while it was previously split between rock groups and boys bands. Beauty and fashion are now also given as much attention as music.

With a readership of 293,200 readers, Joepie remains the only real teen magazine in Flanders.



* What do 13-year-old girls want?

Fascination was the general mood among guests at NO KIDding - the seminar about girl marketing organised by Magnet Regie on 30 March for advertising agencies and media buyers. 13-year-old girls are definitely not what they were ten years ago. The speakers from the Flemish Counselling Centre for Sexuality – Sensoa – and Joepie's former editor-in-chief, Isabelle Vandenberghe, explained that young people reach physical maturity much earlier nowadays. Rather than asking their fathers and mothers for explanations, teenagers get their information from the media. It also appeared that young adolescents start going out and become independent a lot earlier, and that they have a lot more money available. Interesting information for advertisers who need to know how to put themselves in their target audience's shoes. Just like Joepie.

Successful city magazines also conquer the Dutch market

With their no-nonsense restaurant critics and all the information about cultural events, music and film, the Belgian Zone/magazines have reinforced their position as the ultimate city guide. CIM figures are available for the first time for Antwerp and Gent: Zones 03 and 09 together boast a readership of 308,200. CIM figures for the Brussels Zone02/, which launched its Dutch language version as well as the French-language version in 2003, are not yet available. But according to TNS Media/ Brand Media Monitor 2004 the total number of regular readers for all Belgian Zone/magazines together amounted to 499,000.

24 What was new and an immediate hit were the special issues of the luxury Resto-Guides with their glossy covers in Antwerp, Gent and Brussels, featuring the best restaurant critics of the year. It is clear that the Zone/magazines have built a strong reputation for themselves as the culinary reference in a very short space of time.

Compared to other free magazines Zone/magazines have a unique profile of well-educated, active readers from the higher social classes. CIM figures for Zone03/ and Zone09/ reveal that 35% of the readers have higher education or university qualifications and that half of the readers are in the higher social categories (1 to 3). A readership survey of Zone02/ revealed that the readers are female, young and active. 56% of the Dutch-language readers are women (52% of French-speaking readers), 50% are aged between 25 and 44 and 48% of the Dutch-speaking readers have followed further or university education (65% for French-speaking readers).

Turnover of Zone/magazines rose in all cities compared to 2003: an increase of 11% in Antwerp, 50% in Gent and 176% for the French-speaking Zone02/ plus 180% for its Dutch-speaking counterpart. The success story of the Zone/magazines is now being perpetuated in the Netherlands: since 2005 Zone020/ has come out in Amsterdam and Zone010/ in Rotterdam.

“In aiming to produce the ultimate city guide, we opted for ‘a look all of its own’: the Zone/magazines provide information plus they feature opinions. Our readers are active, culturally-minded, mobile urbanites. They don’t want to waste their precious free time going to bad films, performances or shows”,

says Peter Wouters, Business Unit Manager of Zone/magazines Belgium. “It is very noticeable that in the three Zone/magazines the same items score well in the reader surveys: almost everyone reads our restaurant critics, then come the films and the cover story. This is why we didn’t make too many editorial changes last year.”

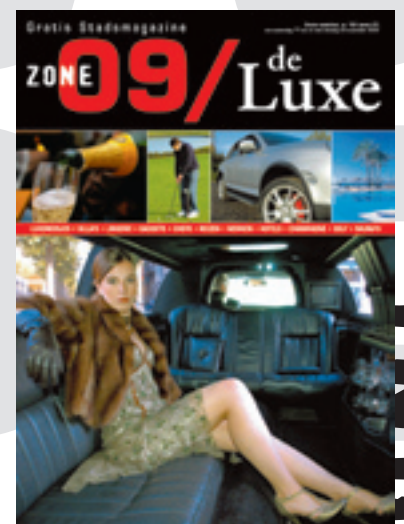
Zone02/ • free city magazine for Brussels
• circulation: 55.000 (Dutch) and 75.000 (French) • since 2003 • final editing: Ann Lemmens and Rudy De Coninck (Dutch)
• editor-in-chief: Julien Bosseler (French)
• www.zonemagazines.be



Zone03/ • free city magazine for Antwerp • circulation: 85.000 • since 2000 • final editing: Birgit Krols
• www.zonemagazines.be



Zone09/ • free city magazine for Ghent • circulation: 55.000 • since 2002 • final editing: Tom Windey
• www.zonemagazines.be



“We distribute the Zone/magazines via approximately 2,000 displays stands in and around Antwerp, Gent and Brussels. Whoever picks up a magazine, does so because they think it is worth reading. If you look at the national situation, you will note that 90% of the magazines displayed are actually picked up. Advertisers are seeing this now and want to advertise nationally to our unique target group: highly educated people from higher social classes, who spend their money in cities. Even advertisers who do not usually go for free magazines came to us.”

“The Zone/magazines are experiencing the same financial development in all the cities. In 2003 after three years, we broke even and actually made our first profit in Antwerp. In Gent it looks as though we are going in the same positive direction. Because the Zone story has gone down so well in Belgium, we wanted to expand to other countries. It is now down to us to prove that we can do that in the Netherlands with Zone020/ in Amsterdam and Zone010/ in Rotterdam, both of which were launched in January 2005. We have competition there however from the PCM Group that launched NL10 and NL20 at the beginning of last year - magazines for which - to put it mildly - they had clearly taken a good look at our Zone/magazines.”

“Even further proof that the concept is a good one. The concept is the same for the Netherlands as for Belgium. We are convinced that there is a profile of person walking around in each and every city that wants an ultimate city guide.”



Do you know that “Lustige Kapoentjes” feeling? In her youth, my mother had these magazines and although they are rather passé in this 21st century, I leaf through them every so often. And then I realize how the teenagers then - and hey, even the toughest among them, dared to collect cigar bands - felt sufficiently compelled to write an ode to their weekly magazine every Wednesday (!). Things like “Every Wednesday it’s great to find my favourite Bolleke and Piet Fluwijn again. I always look forward to midday hour, because that’s when the Rode Ridder goes off on his adventures again”.

Well the lady who wrote this, someone who is longer in the full bloom of youth is looking on now with a slightly knowing smile - oh those ageing hippies. But, I have to admit that my heart misses a beat when my husband brings home a copy of Zone03/ from his local Wednesday café. Because then it’s the turn of the small knight, Jowanke, or his café chums with their exciting adventures, or Valerie and her honest-talking pen. But above all I enjoy reading about the culinary experiences of Daphne and Dirk.

If I had known this existed all those years ago: going out to eat and writing down your experiences (what you really feel, not the sweet and sickly advertising campaigns), then that’s what I would have written in all those friends’ brag books.

“What do you want to be when you grow older?”: Culinary Critic of Zone03/.

“Who is your idol?”: Daphne Aalders.

Of course it all turned out quite different - although I do eat (and according to my Body Mass Index, more than enough), and I write (even if only this fan letter). But these activities did not become my profession: my husband and I sell cheeses at the market. But while enjoying a good cappuccino I do sometimes think - things could have turned out differently. Good luck with your magazine!

Natacha (e-mail, September 16, 2004)

Zone010/ • free city magazine for Rotterdam • circulation: 85.000 • since 2005 • editor-in-chief: Daniëlle Kool • www.zone010.nl

Zone020/ • free city magazine for Amsterdam • circulation: 85.000 • since 2005 • editor-in-chief: Isabelle Brus • www.zone020.nl



ZONE

ZONE

The magazine for the smart TV viewer



In March of last year, TV2Weken became the very first biweekly TV guide in Belgium. Its coverage is confined to television, and it focuses exclusively on subjects and/or people directly connected with television. “TV2Weken is a TV magazine, not a BV magazine,” says editor-in-chief Jules Hanot, referring to the widely used abbreviation of ‘Bekende Vlaming’ or Flemish celebrity. Thanks to its extensive and well-organised programme pages, it is a reliable guide for readers seeking to pick their way through a multiplicity of channels and programmes.

De Persgroep set up TV2Weken as an ultra-fast response to two things: the enormous success biweekly TV magazines have had in France and Germany, and the knowledge that its competitor was going to launch a new TV magazine.

A great deal has changed since the first issue. The magazine has been fine-tuned, to use an appropriate term. During its first year of existence, it was restyled and its content improved. Numerous new sections were added: soap, detective series, TV reviews, major interviews, special reports and stories from behind the scenes. TV2Weken knows that every TV viewer is different, and therefore devotes attention both to well-made soaps and documentaries and to sport and lifestyle. To ensure that all TV viewers can find their way around the magazine, the programmes are divided into categories. The digital channels are also covered.

With chief editor Jules Hanot, the ‘smart TV viewer’s magazine’ quickly found its own tone of voice and acquired its own character. His ambition to create ‘the best TV magazine in and around Flanders’ was warmly welcomed by readers.

The adaptations of content and the more attractive, stronger layout introduced during the year bore fruit. Things took a turn for the better from September onwards, with a modest but constant rise in sales figures. TV2Weken sells 45,300 copies every two weeks. A satisfactory result, although De Persgroep looks forwards to realizing the magazine’s full growth potential.

“Jules, you don’t know me, but I know you. Through your biweekly column in TV2Weken. Every two weeks, I look forward to seeing which celebrity you will make a fool of, in that very funny way of yours. So ‘keep it up’ and carry on making my fortnight. I wish you and the editorial team a healthy, prosperous 2005.”

Urbain, Schoten (e-mail, December 29, 2004)

TV2Weken • two-weekly TV guide • readers: 144.000 (LLP) • sales price: €1.45 • since March 2004 • editor-in-chief: Jules Hanot • www.tv-2weken.be • advertising: Magnet Regie www.magnet.be publisher: Magnet Magazines nv www.magnetmagazines.be

Multimedia news for heavy users, trend-followers and newcomers

The multimedia magazine *Netwerk* underwent a fundamental restyling in April of last year and was given a new logo. More tests and more subjects were added in, and everything was arranged more clearly into separate sections. The renewed content and overhauled design immediately resulted in a sales boost.

Netwerk attracts a broad audience. Not just heavy users: trend-followers and newcomers also read the multimedia magazine. Half the readers visit the website at least once a month. Loyal fans receive the latest cybernews via the *Netwerk* e-zine. At the end of March 2004, *Netwerk* redesigned the site and launched a reader forum. Since then, the number of individual visitors has doubled from around 600 to 1,300. Direct contacts with readers reveal that they are inquiring, intelligent people with an active lifestyle, mainly from the higher social strata.

Since last year, the multimedia magazine has also been on sale at 2,000 outlets in the Netherlands. An active subscription recruitment policy was also pursued: *Netwerk* opted for direct marketing campaigns and took part in several multimedia fairs.

The top-selling issues in 2004 were those which included free gifts. The best-selling issue included a free routeplanner CD-Rom, which increased single-copy sales by an impressive 70%.



“You have achieved your goal: *Netwerk* is more comprehensive, clearer and laid out more attractively! Keep going!”

P. Dedecker (e-mail, March 23, 2004)

In February 2005, De Persgroep and Produpress, working in partnership as P&P Media, decided after 3 years to discontinue **Netcetera**, the French-language counterpart of *Netwerk*. This means that the money can be used for *Netwerk*, which by contrast has proven to be a solid success.

Netwerk • monthly multimedia magazine • readers: 299.000 (LLP) • monthly sales: 38.834 copies • sales price: € 3.95 (including CD: € 4.95) • since 1996 • editor-in-chief: Philippe Dautrebande • www.netwerk.be • advertising: Magnet Regie www.magnet.be • publisher: Magnet Magazines nv www.magnetmagazines.be

All magazines great and small

Goed Gevoel, the magazine which harmoniously blends inner and outer wellness, was restyled in 2004 with new columns and a new colour palette.

The editorial team was strengthened with a couple of new people and a number of new and original approaches were introduced. In the new series of interviews 'Bronze, Silver, Gold', three celebrities told us about the three most important moments in their lives. In the column 'Remarkable trio', three ordinary people recounted the things they all have in common, such as women in men's jobs, immigrant women and teenage fathers. 'Psychological Questions and Answers' and 'Medical Questions and Answers' were combined and restyled into one single feature. The lifestyle column with home makeovers (print factories becoming private homes, hotels becoming villa-apartments) was expanded with practical descriptions.

The special slimming programme for the series 'In Great Shape' – that ran from February to June – was a great success. Almost a thousand readers signed up for it. A dream team was selected from this group and each member was put in the spotlight in an issue of Goed Gevoel. The focus was on fitness and mobility, food and mental coaching. The winner was announced in June.

The December issue of Goed Gevoel came out in two formats: first as a usual glossy (normal print run) and second as 50,000 extra copies in a handy handbag format, 25% smaller than the usual Goed Gevoel. A four-month minimum trial period was chosen for the two formats starting from February 2005.

In 2004, Goed Gevoel was the second best selling monthly magazine. The April issue with its diet insert, sold 62,364 copies, an increase of 25%, making it the best selling issue of 2004. Total readership exceeded the half million mark with 516,000 readers. Its clear positioning on health and wellness issues meant that Goed Gevoel was also successful amongst advertisers.



Goed Gevoel • monthly wellness magazine • readers: 516.000 (LLP)
• monthly sales: 49.709 copies • sales price: € 3.20 • since 1992 •
editor-in-chief: Karin Bodegom • www.goedgevoel.be • advertising:
Magnet Regie www.magnet.be • publisher: Magnet Magazines nv
www.magnetmagazines.be

Luxury in a new livery

The editorial concept of Genieten was modified slightly in September 2004. More than ever, the monthly moved in the direction of a luxury leisure lifestyle magazine. The philosophy behind this change was that well-travelled, cosmopolitan and internationally oriented people are passionate about not just travel destinations and trends, but also about aesthetic, practical and health issues.

The lifestyle magazine started running features about the latest luxury travel gadgets, gastronomic food and developments in the wellness market. In the travel section, editors placed increasing emphasis on authenticity, charm and genuineness. In the 'Insider' section journalists sought out inspirational Belgians abroad who recounted their passion for a region or a city accompanied by extensive photography.

Travellers are increasingly individualistic; they make reservations more and more over the Internet and increasingly seek out special and authentic destinations and hotels. This is why Genieten is constantly on the lookout for truly unique places for its travel features.

The layout of Genieten was also given a make-over. A new, stylish logo embellishes the cover, and together with the large format and the glossy paper it gives readers a true sense of luxury.

Last year Genieten put its first steps on Dutch territory, targeting prosperous readers there too. This monthly magazine also targeted more international advertisers and subsequently sold more foreign advertising than ever.



* Hotels as stylish theme parks

“Real luxury is shifting from fashion and accessories that are now much more accessible to a wide public, to new areas such as travel and expeditions. ‘Designer hotels’ are all the rage and, with the advantage of the talents of people like Armani, Bvlgari, Ferragamo, Diesel and Brioni they become stylish and luxurious theme parks. Luxury is more and more about the amount of effort you have to put into getting somewhere, it is the reward you get at the end of your effort. A good example is one of the largest top hotel chains around today, the Aman Group, which has just opened a hotel in the Himalayan Kingdom of Bhutan and which accepts only a very limited number of tourists per year. Staying there is luxury par excellence.

Another conclusion is that true visionary, enthusiastic creators, as Richard Florida sees them, are to be found mainly in travel-related sectors such as hotels and air travel. Good examples are Richard Branson, the eternally four-year-old boy with his dream of space travel, and Ian Schrager, the father of design/boutique hotels who will this year be reinventing himself in New York by opening even more new hotels.” – Martine Wauters

Genieten • monthly lifestyle magazine • readers: 94.000 (LLP)
• monthly sales: 20.278 copies • sales price: € 4.50 • since 1999 •
editor-in-chief: Martine Wauters • www.genieten.be • advertising:
Magnet Regie www.magnet.be • publisher: Magnet Magazines nv
www.magnetmagazines.be

Smart, sharp, sexy

Touché, launched in November 2003, celebrated its first anniversary this year. The 'glamour mag with a sharp edge', aimed at educated women between 20 and 45, was given a look all of its own and underwent its first make-over in October. This was prepared by an in-house layout team together with Theresa Kral, former member of the famous Garcia Media design team.

In terms of content, Touché added a mix of incisive interviews and glamorous photo shots of top Flemish women such as Birgit Van Mol, Geena Lisa and Martine Prenen. In March, the glamour mag was the first to publish an interview with Véronique De Kock about her involvement in Dior, the haute couture house. In October Touché premiered Deborah Ostrega's liposuction diary, which formed part of a large feature section on plastic surgery. Finally, television celebrity Gène Bervoets was named the most stylish man in Flanders by female readers.

The glamour mag promotion campaigns were successful too. In February, Touché gave away a free DVD of the popular series 'Sex and the City'. The combination of the 'Sex and the City' special in the magazine and the supporting poster campaign at bus stops accounted for a 68% increase in sales.

During the summer readers were given a special treat with a double issue. Touché was also present at a number of events where specific target groups were present, such as the Scapa Polo Beach Trophy on Knokke beach. The first Touché Ladies Golf Cup was such a great success that it was decided on the spot to organise the same golf competition in 2005.

In September the magazine launched its first 'Touché Shoe Bible', in which 300 pairs of pumps, stilettos and boots brought out the shoe fetishes in every woman. The initiative was also welcomed enthusiastically by advertisers.

For its first anniversary celebrations, the November issue focused exclusively on luxury, including a competition with thousands of euros' worth of jewellery, perfume and other luxury products to win. In just one year, Touché has created its own niche in the monthly magazine market, among both readers and advertisers.



Touché • monthly glamour magazine • sales price: € 3.95 • since November 2003 • editor-in-chief: Nathalie Balsing (until February 2005) Alain Grootaers (since February 2005) • www.touchemagazine.be • advertising: Magnet Regie www.magnet.be • publisher: Magnet Magazines nv www.magnetmagazines.be

Uw Vermogen

The first issue of Uw Vermogen appeared in the shops on 26 March 2004. The financial monthly magazine aims to act as an impartial adviser to well-off people who want reliable counsel about money matters. Uw Vermogen covers subjects such as the tax amnesty law in Belgium, the European Savings Directive, the reduction of capital transfer tax in Flanders and the social debate about pensions.

On 1 July 2004, Magnet Magazines sold the title to Editeco, the publisher of L'Echo and a joint venture between De Persgroep and Rossel. Together with Rossel, the group wants to set the pace on the financial media market.

At the end of 2004, Uw Vermogen conducted a small reader survey. Reactions such as 'This is an independent, varied magazine full of useful tips' and 'When you go to the bank, you need to know a thing or two so that they can't fool you' illustrate the need for a financial monthly magazine aimed at a broad audience.

Uw Vermogen • monthly financial magazine • sales price: € 5.00
• editor-in-chief: Stefaan Michielsens • since March 2004 •
www.uwvermogen.be • advertising: Magnet Regie www.magnet.be
• publisher: Editeco sa www.magnetmagazines.be

Woef

The complete restyling of 'Woef' in 2004 made the magazine fresher, more subdued and more pleasant to read. The dog magazine broadened its horizon too, something which readers appreciated and which will be continued.

The monthly mini-survey remains a good instrument to know what makes readers tick. This is why the 'Best Dog Column in the World' started by Herman Brusselmans is so well received. The games on the junior pages will be extended to adults. Among the successful campaigns was the chance to win a weekend at a stud farm in Normandy.

After a trial period, it was decided to put the 'Woefkes' (small announcements) on the website for free. This didn't affect sales and was appreciated by the readers.

The absolute best-seller to date was the April edition with the first article in a series of three 'What's wrong with my dog', which was an excellent medical guide.

Woef was not only present at dog shows but at other animal events as well, a fact that stimulated subscription recruitm

Woef • monthly dog magazine • monthly sales: 15.000 copies
• sales price: € 4.00 • since 1964 • editor-in-chief: Jaak Pijpen •
www.woef.be • advertising: Magnet Regie www.magnet.be
• publisher: Magnet Magazines nv www.magnetmagazines.be



Last year, Magnet Magazines decided to sell its car magazine **AutoWereld** to ProduPress, the publisher of its competitor Autogids. AutoWereld is aimed at men between 18 and 44 and apart from covering scoops, tests and handy price tables, it pays a good deal of attention to lifestyle and gadgets.

AutoWereld will remain fully independent and will be positioned alongside Autogids. The complete editorial team was transferred to ProduPress as of November 1st, 2004. Editor-in-chief Alain Devos and his team will remain responsible for the independent editorial content of AutoWereld.



The days of classical advertising are over, warn doom mongers in the advertising world. New forms of advertising have to be found, new types of partnerships formed, new media channels created. Four specialists from the magazine, newspaper, audiovisual and Internet sector give their views on current trends and the future of advertising.



Proposition: Newspapers need to stop selling books, CDs and DVDs. Readers just want their newspapers and over time they simply get irritated with all these extras.

Fabrice Dekerf, Managing Director of Full Page and former Director of Impact: "I know that these campaigns work extremely well. The fact is that the campaigns that work well are those that are specially designed for the specific target audiences. I think the classical CDs with De Morgen are fantastic, or rather: I and 25,000 other people think so. Newspapers are also a stable medium. Circulation has not dropped and good advertisements still produce good returns. But you have to dare to be creative. A lot of advertisers prefer to go for sales-oriented campaigns over and above image campaigns that are aesthetically so much more pleasing."

You can't reinvent newspaper advertising, but you can look for new ways of advertising. "At Full Page for instance we launched the Memostick that you stick to the newspaper like a post-it note, you can lift it off and stick it somewhere else," says Dekerf. "That way you don't have to cut anything out of the newspaper and you can stick it somewhere so that you don't forget it, it might be a telephone number for instance or a coupon for a free sample product."



Proposition: Advertising for tobacco is already forbidden, cars and alcohol may follow suit soon. Advertising revenue is in danger and there is less and less room for creativity.

Mieke Berendsen, manager of Magnet Regie: "Indeed, we need to think about legislation. If alcohol and above all car advertising fall by the wayside, then that will be a terrible blow. But the way things look at the moment, I don't think this will happen in the near future. I sit on the JEP [Jury for Ethical Practices in advertising, red.] and advertisers are now working towards self-regulation. So you won't see a driver for example parked on a zebra crossing, that wouldn't add anything to the advertisement anyway. A jeep on a beach however would contribute to the atmosphere. Readers know full well that you cannot drive your car on a beach."

Advertising is indeed changing, says Berendsen. "Innovation may have to come from technical formulas with samples, pop-ups or stickers. But what we need above all are product integration and more creative ways of advertising. For instance, we would run a column about tourism and cars and have it sponsored by a car manufacturer. Or in another case the editors may write an article about dogs and cats and an advertiser for pet food can advertise next to it. You have to be careful that you don't lose too much credibility doing this, though. The editorial and sales departments have to work together to make sure this does not annoy readers."

Can advertising still be saved?



Proposition: Digital TV is responsible for the larger stations losing advertising revenue.

The lion's share of advertising budgets today is spent on television advertising. Yet the outlook here is pretty gloomy, because with the arrival of digital TV, viewers will be able to get 200 different stations instead of the 35 available today. Stefan Lameire, Sales Director at VMMA does not believe that the larger stations will lose advertisers because of this. "The last five years we have seen lots of new stations coming on board, such as Vitaya, Vijftv and Nickelodeon, but the market share of the five large stations - VTM, KANAALTWEE, Eén, Canvas and VT4 - has actually increased during this period. These newcomers are special target group stations and they generate extra viewing time rather than lure viewers away from the existing stations."

Soon it will be possible to filter advertising off TV screens. Does this mean the end of TV commercials? Stefan Lameire: "We have to have TV advertising, because free TV simply does not exist. Without advertising, you cannot make television programmes. The only alternative is paid television. I think that the whole business-model of commercial television is heading more in that direction, where you can choose between paying and having no (or a limited amount of) advertising, and not paying and having advertising."

Lameire does think that TV stations need to do more than just sell advertising time. "That's already happening and we can see it in the joint venture between JIM and Coca-Cola for 'Create your night', where young people can have their own party sponsored. Coca-Cola has a discreet presence and young people ignore it. They know that advertising is a part of society. This kind of joint venture is actually not new, but there is more talk about it now and it is rather more extensive. Advertisers also feel the need to be more creative. We try to help them in that."

"Viewers are also becoming more demanding and expect more creativity in TV advertising. It has also been proven that a TV spot doesn't irritate people simply because it is shown too often. If a commercial is going to irritate people, it will do so right from the first time it is seen, or else it won't irritate them at all. Good advertising will always do well therefore. TV is entertainment, good advertising likewise."



Proposition: The Internet is a threat to classic communication campaigns.

Neither Dekerf or Berendsen nor Lameire see the Internet as a threat. Stefan Lameire: "Certainly not in terms of impact, because I don't know anyone who actually reads pop-ups, everyone clicks them off. But you can certainly extend the lifetime of your TV communication message on the Internet."

Patrick Van Waeyenberge, sales manager of Targetonline, Aurex's sales department for on-line advertising, see things differently: "Studies reveal that the Internet is a medium where branding, building up brand awareness works well. Moreover, it has all the advantages of direct marketing, such as direct response for instance. The Internet seems to be the most cost-effective medium for sales and spontaneous brand awareness."

"Ideally, the Internet should be fully integrated into a company's media mix', concludes Van Waeyenberge. "But communicating in different types of media always works better, whether this means radio, TV, newspapers, magazines or the Internet".

Ready

The restyling of VTM, launched in 2003 by programme directors Bert Geenen and Jan Verheyen, was continued successfully last year. Flanders' biggest independent television channel underwent a thorough makeover, acquiring numerous new programmes and a whole host of new faces. The restyling operation is of course a long-term project, and will be pursued further this year. In the meantime, it has already yielded rich pickings.



In February, the daily news programme 'Het Nieuws' was completely restyled, with a fresh studio set, a new design and a couple of new anchors who joined the team: Stef Wauters, Catherine Moerkerke and Robin Janssens have now become familiar faces for Flemish viewers, who have been tuning in to 'Het Nieuws' in ever greater numbers. As a result, the difference in viewing figures with VRT's 'Het Journaal' is becoming ever smaller. At present, the gap has been almost completely closed.

In consultation with French agency Gédéon, VTM was also fully rebranded. Logos, trailers, sponsoring, ad breaks, programmes: all were decked out in the same livery. This meant that all elements of the television evening flowed seamlessly into one another, in both visual and auditory terms. Viewers immediately took to the channel's new look and its somewhat well-thumbed image regained its former lustre. VTM once again became an entertaining, pleasant TV channel for all the family.

VTM succeeded in attracting new viewers without losing its old ones, thanks to a mix of old favourites and talented newcomers. New faces on VTM included Dina Tersago, Mathias and Staf Coppens, Jo De Poorter, Tess Goossens, Elke Vanelderden and Evi Hanssen. Alongside them shone evergreen performers such as Luc Appermont.

for the comeback

Luc saw to it that the 'Rad van Fortuin' enjoyed its second youth. But the choice of programmes was also a judicious blend of old faithfuls and freshfaced newcomers. On the fiction side, 'Aspe' reigned supreme, but 'De Kotmadam', 'Familie', 'Wittekerke' and 'Spoed' also continued to excel. More than ever, Flanders took to heart the goings-on at 'De Pfaffs' and 'De Planckaerts', while at the same time discovering exciting newcomers such as 'Boer zkt. Vrouw', 'De Nieuwe Mama', 'De Werf' and 'Allez, allez Zimbabwe'.



The second season of 'Idool' – the quest for a new pop talent – fuelled conversations at work, at home, in the pub and in the neighbourhood for months on end. The news and sports teams scored resounding successes with 'De Zondvloed' (following the tsunami disaster) and 'De Gouden Schoen', and showed their solidity week after week with 'Telefacts', 'Stadion' and 'Goal'.

The rock-solid combination of 'De Pfaffs' and 'Idool 2004' ensured that VTM was once again the strongest Sunday channel in the autumn. It built up an historic lead here with a market share of 32.7%, compared with 29.5% for VRT's Eén.

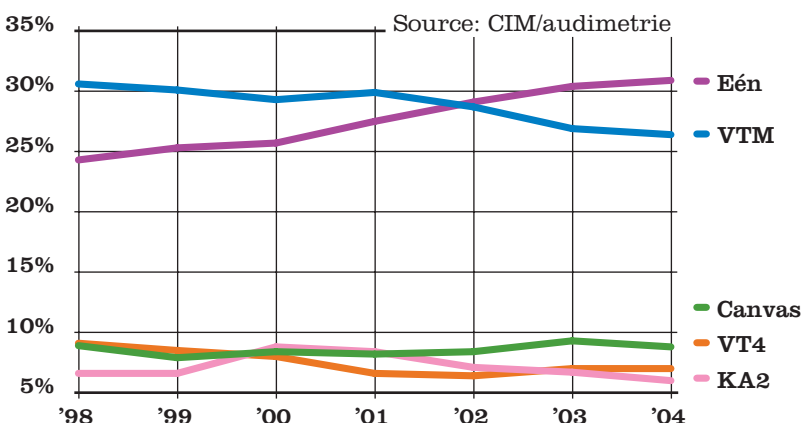
2004 was not an easy year for VTM, due in part to strong competition from Sporza over the summer. Yet, the market shares of VTM and Eén drew closer again. By the end of 2004, VTM's market share averaged 27.8%, just 2% less than Eén. At the week-ends during the autumn, the difference contracted to half that.

Strikingly, VTM re-established contact with 18 to 44-year olds for the first time in years. This is the age group targeted by most advertisers. From September to December 2004, market share in this group was 27.2%, which is 2% better than during the same period the previous year. This also had an impact on VTM's income, which rose by 6%.

VTM's popularity in Flanders was also underlined by the success of the events the channel organised. The Zomertour, which called on twelve cities in July and August, drew a total of 100,000 visitors. At the end of August, Ostend was overrun by 100,000 enthusiastic viewers during VTM Buitengewoon, the day on which all the fans get to meet their VTM idols. The Christmas parades in Ghent, Genk, Louvain and Bruges together accounted for half a million visitors.

At the end of the year, every Flemish resident received a VTM Christmas card in his or her mailbox, together with the new VTM sticker. They can now be seen everywhere, on cars, satchels, rucksacks, bicycles and countless other places: a visible sign that the Flemish people once again feel comfortable with their channel.

Market shares Flemisch stations (universe 4+)



TV the way I want it

In early 2004, Telenet acquired Canal+. Recently, the Mechelen-based company decided to grant its rights and programme production to VMMA. Our subsidiary has thus positioned itself on the interactive digital pay-TV (iDTV) market, with 2005 looking set to be the year of the televisual revolution. Duco Sickinghe, CEO of Telenet, reveals the issues and implications.

by Philippe Dautrebande

Why has Telenet entered into partnership with VMMA?

"With the acquisition of Canal +, we bolted on some content to Telenet, which is a cable network operator. We wish to integrate Canal+ in an overall digital television platform. However, our core business remains cable. This is why we have entered into the partnership with VMMA, which will take care of the content for the digital channels. We are very excited about this partnership."

Why did you choose VMMA?

"Telenet had a choice of several possible partners. For SBS Belgium (VT4), pay-TV wasn't a priority. As a public body, VRT isn't ideally placed to launch sport and cinema pay channels. That left a choice between foreign partners or VMMA. As a Flemish company, Telenet preferred to choose a local partner. VMMA has built up solid experience in television and has real skills as a programme producer. Telenet and VMMA complement one another very well, and neither of us wants to poach on the other's territory. But it should be made clear that Telenet continues to distribute all the channels."

This partnership has been entered into with the imminent prospect of digital TV. What will digital bring for TV viewers? "Firstly, a noticeable improvement in picture and sound quality. More and more Flemish people are buying plasma and LCD screens and surround-sound systems. To take full advantage of these, you need a digital signal. The second benefit is the expanded choice. Theme channels will proliferate. Firstly, because consumers are demanding targeted programmes which are of direct interest to them, and secondly, because digital significantly reduces a channel's production costs. It would now be a straightforward matter to create a cookery channel which only broadcast for three hours a day. Another point is that viewers benefit from increased control, thanks to on-demand TV: they can watch what they want, when they want. Not just films, but also previously broadcast programmes. If you miss a broadcast, you can 'order' it later. This is all to viewers' advantage. As for the channels, digital TV will enable them to make a sound return on their portfolio of programmes."



Ultimately, doesn't this seal the death warrant of the big general-interest channels such as VTM?

"There's lively debate on this point. My own view is that TV viewers won't want to abandon the standard, 'foundational' general-interest channels. You need a major brand such as VTM to ensure the success of the theme channels. For the general-interest broadcasters, the offshoot channels will also enable them to make more effective use of their content. For example, you buy an interesting interview with a well-known figure lasting an hour, but you only broadcast two minutes during the 7 o'clock news. The complete interview can now be broadcast on a digital pay-TV channel."

"iDTV is a great way of recreating that bond with TV viewers who have been abandoning the small screen, which they find too passive, for the Internet. By offering such viewers the interactivity they enjoy on the Web, television can win them over once again. What's more, each channel can personalise its interface visually. We don't want to impose our brand. The channels can also get into merchandising."

Even so, the general-interest channels are likely to lose market share to the theme channels ...

"The general-interest channels currently have an 85% market share. I believe it's preferable to have slightly fewer TV viewers if that enables you to record a higher turnover thanks to interactive services. At the same time, I think that the Flemish channels will remain stronger than their foreign competitors, thanks to that selfsame interactivity which brings them close to people."

What place will advertising have in on-demand TV?

"On-demand TV will give advertisers new outlets. Sponsoring is sure to become more widespread. The designers will come up with new formulas which will encourage viewers to interact with the brand. For instance, by offering a Volvo test-drive during an ad for the brand. On the general-interest channels, digital also provides an answer to advertising saturation, with local adaptation of ads. In other words, viewers in Knokke won't necessarily see the same ads as those in Hasselt during a particular show. That represents a threat to the newspapers, of course, but in the media world it's often noticeable that although new media encroach a little on the territory of existing media, they also have an enriching effect. Comic strips haven't killed off books, TV hasn't killed off radio, and the Internet hasn't killed off TV."

Digital TV also means interactivity. What will you be offering?

"Using their remote control, viewers will have access to SMS, tel-evoting, the electronic programme guide, e-mail, online banking, holiday booking, the local authorities and so on."

So will iDTV replace the PC and the Internet?

"No, it's complementary. We are opening up a new market for people who don't use the Internet, either because they're afraid to or because they don't have a PC. The basic set top box, the decoder which gives access to digital TV, should cost around 200 euros, which is 15 to 20% of the price of a PC! For those who already have a PC and make regular use of the Internet, iDTV will be an added bonus."

Does the government need to fund digital TV?

"No, apart from e-government. Having said that, it would be a welcome move on the part of the government to make the purchase of the set top box tax-deductible. It would be a way of reducing the extent to which Flanders is lagging behind in terms



of digital equipment, and would be less costly than subsidising PC purchases. As for the question of whether the public should finance the creation of new channels, that's a political choice. As I've said, creating digital channels isn't expensive, and nor is our platform!"

Are the days of free TV over?

"Our digital TV concept will be highly accessible in terms of charges. I'm not anticipating an American-style situation, where you have just a bare minimum of channels providing a basic service, while you have to pay extra for all the rest ... Television has always been inexpensive in Flanders, or even perceived as free of charge. The important thing is to offer a good service, good films, a good quality of signal."

What is digital television's killer application?

"On-demand TV. Imagine being able to watch the 7 o'clock news at 11 o'clock, or your favourite serial on Thursday morning when it was actually broadcast on Tuesday evening ..."

With the help of the VMMA, Telenet is thus entering the battle for iDTV well-armed. Which is good news for Flemish TV viewers!

Strong in film and sports

Last year, KANAALTWEE designed a striking campaign with advertising agency Germaine. It featured the channel's four main programming pillars: 'Ga op in Film' ('Immerse Yourself in Film'), 'Beleef Reality' ('Experience Reality'), 'Verslind Series' ('Devour Series') and 'Ruik Sport' ('Get a Whiff of Sport'). The campaign, which associates an 'experience' with a genre in which KANAALTWEE excels – especially with viewers in their twenties and thirties - met with very positive reactions. Another much-discussed campaign was for the third season of the American hit series '24', in which KANAALTWEE issued the Flemish people with a virus warning.

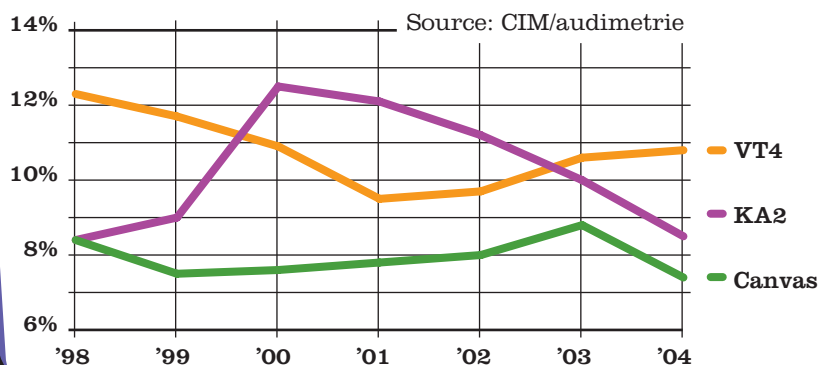
KANAALTWEE confirmed its strong reputation as a film channel. At least six days a week, it treated viewers to films; there were theme evenings and specials (Oscarmarathon, Halloween, Cult Nights), and above all there was the cycle of weekly film premières which had movie fans tuning in to KANAALTWEE in droves, with hits such as 'Lord of the Rings', 'Rush Hour 2' and 'Alias'.

Live sport dominated the top ten viewer figures for 2004, with cyclo-cross and above all plenty of football: the World Cup qualifiers, friendly matches, Club Brugge's UEFA matches and the Belgian Cup. Events such as Domino Day also did well.

2004 wasn't an easy year for KANAALTWEE. VRT's Sporza appeared as a new competitor on the market and the popular 'Big Brother' disappeared from the schedules. In addition, the strong local programming of VTM and TV1, plus the advent of theme channels, Internet and DVD constituted a real challenge for KANAALTWEE. Despite this, the channel held its ground, and closed the year with an average market share of 6% overall, and of 8.5% in the VVA 18-44 advertising target group.



Market shares selective stations (universe VVA 18-44)



KANAALTWEE • commercial film, series and sports channel • since 1995 • station manager: Jo Nachtergaele
• www.kanaaltwee.be • Vlaamse Media Maatschappij nv
www.vmma.be

Just say 'JIM'

It is not JIMtv anymore. Everyone talked of 'JIM' anyway, so it was easy for the channel to use this as its official name. The channel continued doing what it has been doing since its inception: informing young people about everything that matters to them. That means much more than just music. It's apparent obvious that they've succeeded in their mission. In 2004 JIM was the most popular channel with young people in Flanders.

Standing by young people means: delivering new and renewed programs to them.

Popular docu-series were 'Gumball 3000' about the much talked-of rally from Paris to Morocco and back to Cannes; 'Caramba!' a music series by Jan Van den Bossche with a 'live' audience; 'Tuning TV', about the phenomenon of tuning up your car, and 'The Kevin Keyart Show', a tongue in cheek media series. A new and well-received programme was 'Cityhoppin', which was made in cooperation with the newspaper De Morgen, who printed a weekly version of it.

From a commercial perspective, many advertisers found their way to JIM and devised exceptional ways of working with the channel. The channel worked hand in glove with Coca-Cola, for instance, for the program 'Create Your Night'. Their originality was rewarded: in the course of the whole year advertising revenue rose by 4,3% in 2003.

JIM also hit the mark regarding look and feel. The station picked up the award for 'Best Integrated Campaign' at the German 'Eyes & Ears' television awards, an accolade that was received because of the uniformity and look on the screen and in the field. Using posters they transformed the 'coast-tram' into an actual JIM tram, for instance.

Ever since start-up in 2001, JIM has been the most widely viewed station in the age bracket 13 tot 30 jaar.



"JIM is the only channel that broadcasts interesting programs and good music. I'd also like to become a VJ on JIM some day, that's why I watch how the others do it"
Nathalie, 18 years old

Audience reach JIM 2004 (1 min. consec. 13-30)

Per day	9,9%	Source: CIM/audimetrie
Per week	32,5%	
Per month	54,8%	

A pivotal year on the Scheldt



2004 was a pivotal year for ATV and not only because the whole building was renovated. After eleven years, the Antwerp broadcasting station was given a new logo, and on the screen viewers saw the results of a complete restyling. The studio backdrop for the news disappeared and the newscasters now present the news from a loft on the Scheldt.

ATV also made substantial changes to the content. Thanks to the expertise of the DVD cameramen, editors can now bring viewers more news from the region than ever before.

The ATV team launched a whole series of new programmes including 'Behind the Lock Gates', a fly-on-the-wall look at the lives of the people who work in the docks: from the dockers and ship-pers to the freight company bosses. Local celebrities travelled with Carl Huybrechts in 'The Boat', where they told viewers about their relationship with their city. During the summer, 'Blankenberge Beach' followed Antwerpers who spend their holidays in Blankenberge, a Belgian seaside resort. 'Nevertheless' followed the daily lives of workers in a protected workshop in Antwerp. And star cook John Verbeek was given his own cooking programme 'The antics of Verbeek'.

In order to back up all these changes, the editorial staff wrote an entirely new mission statement. ATV's goal is to become the most reliable, interesting and popular news medium about the Antwerp region and its residents. The audience is of paramount importance for ATV. The station wants to appeal to that audience in a self-confident but reasonable manner that is critical but forgiving, and where appropriate, with a touch of humour.

ATV is on air for a total of more than 500 hours on Antwerp television, and is viewed by an increasing number of local people. It now boasts around 281,000 viewers per day: an increase of 8% compared to 2003.

In October a completely new website was launched. In addition to being able to view the latest news, audiences can also watch documentaries on the site.



"If it was up to me, I would be happy to abandon my Waasland pride and turn Beveren into an Antwerp district if that could get ATV back on our TV screens! (Well, not really, but you know what I mean). Is there anything you can do to get ATV back in Melsele, Kallo, Kieldrecht, Verrebroek and Doel? We live in the heart of the Antwerp region and the docks are right next door. I still miss ATV. Can you do something to get ATV back on the cable. Please."

Yours faithfully, Hildegard (e-mail, March 14, 2005)

Safeguarding the Future of the European

Audiovisual Market

This is the title of a White Paper published jointly by the European Associations of Commercial Broadcasting Companies (ACT for Television and AER for Radio) and of publishers (EPC) whose aim is to expose distortions of fair competition in the audio-visual sector by public broadcasting companies.

De Persgroep, which is part of the European Publishers Council and which is represented in the ACT by the Vlaamse Media Maatschappij, subscribes to the full content of this White Paper and would like to contribute to it by drawing the government's attention to it. This is why we are publishing hereafter an extract from the summary that forms the opening of this White Paper. The full text is available on www.epceurope.org.



The Association of Commercial Television in Europe (ACT), Association Européenne des Radios (AER) and the European Publishers Council (EPC) wholeheartedly support the co-existence of public and private broadcasting in Europe but believe that the system has become unbalanced and is in need of urgent reform.

Years of over-funding and under-regulation of Publicly Funded Broadcasters (PFB's) – incumbent TV and radio broadcasters with public service remits funded either wholly through State Aid or through a combination of State Aid and commercial revenues including advertising – has undermined the competitiveness of the television and radio industries as well as adversely affecting the related sectors of multi-channel television, TV programme production, press and internet content.

The result is an unprecedented level of market distortion in a liberalised market which is undermining the very foundation of Europe's unique system of incumbent, Publicly Funded (or part Publicly Funded) Broadcasters operating alongside private broadcasters.

Publicly Funded Broadcasters received State Aid equalling a massive € 15 billion in 2001 (more than € 8,2 billion between 1996-2001). The magnitude of this subsidy effectively makes Publicly Funded Broadcasting the third most subsidised 'industry' in Europe. At the same time that State Aid to Publicly Funded Broadcasters has been increased, competition continues to be undermined by a lack of regulatory rigour that guarantees fair competition as well as prolonged Commission inaction despite numerous Court judgements in the area.

Unfair competition manifests itself in PFB behaviour including:

- Misusing their strong and often leading positions across Europe in the audience and revenue markets;
- Fostering a growing discrepancy between the mission statements and the actual activities of Europe's Publicly Funded Broadcasters;
- Distorting competition on both the output and input markets for television and radio as well as the related markets of multi-channel television, nice-radio provision, television programme production, internet content and the press;
- Capturing commercial revenues in addition to State Aid outside the context of article 86 of the Treaty as applied to other liberal sectors;
- Increasing confusion in the limits of their mission statements and their actual activities.

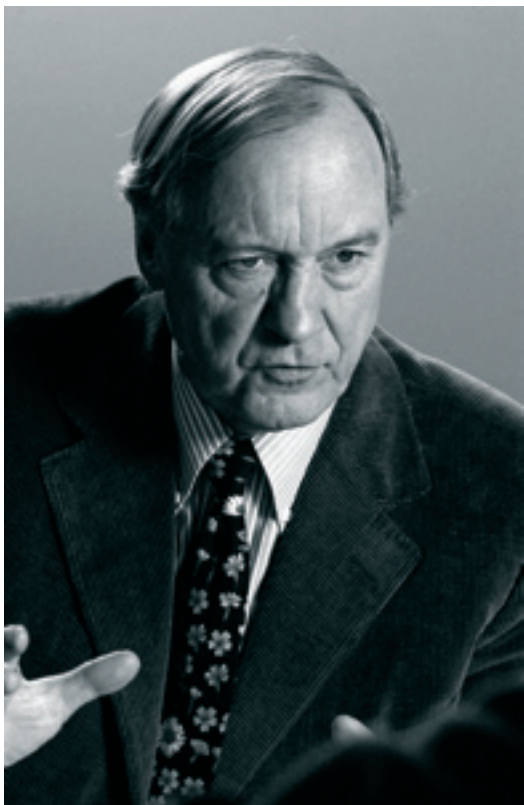
At stake are the interests of key stakeholders in the European Audiovisual industry including governments, Publicly Funded Broadcasters themselves, private media owners, advertisers and, most importantly, viewers, listeners, users and readers...

While ACT, AER and EPC support public service broadcasting, we do not support activities which distort markets or run contrary to the letter and the spirit of the Treaty. We believe that massive amounts of State Aid combined with inappropriate regulation affect trading conditions and competition within Member States in a way that is contrary to the common interest...

With clearly defined remits (subject to proper scrutiny) and a relevant regulatory framework, single funded PFBs can provide distinctive programming, retain their audience share and support fair and open liberalised markets.

Unfortunately, a lack of political will, unimaginable in other sectors, has and continues to undermine the European Audiovisual market across Europe.

Left unchecked, this could put the future of a vibrant pluralistic European Audiovisual industry at risk, and call into question the credibility of the Commission as a champion for free markets and fair competition.



“Complaint against public broadcaster is well-founded”

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In a few weeks' time – possibly by the time you read this - the European Commission will pronounce on the complaints submitted by Vlaamse Media Maatschappij in 2004 against the public broadcasting corporation. Does VRT get more money from the Flemish government than it needs to carry out its public assignment? And is the public broadcaster using dumping rates for radio ads which are disrupting the market? The answers to these questions will partly determine how a competitive television and sector can continue to exist in Flanders.

Karel Van Miert doesn't want to hazard a guess on what those answers will be. But he certainly agrees that the complaints are well-founded. And he should know, because for ten years, from 1989 to 1999, Van Miert was a member of the European Commission. From 1993 onwards, he was responsible for competition policy - 'Europe's most powerful man,' as they called him at the time. The man who got Europe ready for free competition talks about competition and pluralism in the media.

by Stef Wauters

Let's get straight to the point. Is VRT overfinanced, and is it disrupting the radio advertising market? Is VMMA's complaint justified?

“This is one of many complaints. Since the 90s, complaints have been coming into the Commission about public broadcasters on the basis of state aid rules. Originally, when I was in charge there, we weren't really sure what to do about them, as there were no specific rules for that sector.”

“To start with, it wasn't clear what exactly public service broadcasting consisted of. The Commission then sensibly decided that the relevant authorities – national, or in Belgium, Flemish – must decide for themselves how far the public service remit runs in the media. But they should do so bearing in mind that the media must remain pluralistic. And that the role of the public channels should be to provide social, cultural and general information.”

And that's what they are supposed to receive tax money for. But the complaint, in Flanders and many other countries, is precisely that the funds are out of proportion with the actual task of public broadcasting, and that the public broadcaster oversteps his bounds. Is that the case?

“The Commission applies a number of clear principles. Firstly, there must be a clear and precise definition of the public service, and that definition must be well-founded. For example, if one decided that sports rights belonged exclusively to this public service, that would obviously be unacceptable. There also needs to be a clear distinction between this service provision and the commercial activities of a public broadcaster, and the broadcasters must keep a separate set of accounts to this end. Moreover, all the commercial services that they provide must be market-compliant. For instance, if they make commercial use of their archives, commercial subsidiaries may not benefit from more favourable rates than private businesses. And finally, everything must be supervised by an independent authority, and this is highly problematic here in Flanders. At present, the government is both judge and jury.

On the basis of these rules, I believe that VMMA's complaint is in any case well-founded. But what the verdict will be, I cannot say. I don't have the complete dossier.”

Your successor, European Commissioner Mario Monti, says that large-scale state support for public broadcasting in Europe disrupts the market. If there's one thing that Europe always acts against rapidly and firmly, it is disruption of the market and unfair competition. This is the second most heavily subsidised sector in Europe, and people have piously refrained from doing anything about it. Is this particular area so hedged about with political concerns?

Yes, the media is a very sensitive political issue. During my time at the Commission, I had studies conducted into the financing of public broadcasting. In Spain for example, nobody could understand the system at the time. Most of the governments didn't want the Commission to get involved with the media, either. And then there was the highly effective lobbying machine operated by the public broadcasters themselves. Their offensive at that time led to the Amsterdam Protocol, which represented an attempt to push the European Commission aside.”

“When some private broadcasters went to court to submit a complaint against the European Commission because it was not taking action in view of the fierce resistance from most governments, we were actually glad. Because the courts could then decide that the Commission did actually have the power to take action! Even so, everything has gone very slowly because of the resistance of the governments.”

After the complaint from VMMA, VRT launched a counter-offensive and said that it isn't overfinanced, but underfinanced. "I actually think it's quite clear that VRT has the money it needs to compete at the forefront in all areas of broadcasting. So I find it surprising that they claim they don't receive enough money."

But they say they want to turn us into a niche broadcaster again. Is there any danger of that?

"No, I'm convinced that the government won't let that happen. The view of the Commission has always been that public broadcasters must offer a wide range of topics, including sport for example, but a range that is linked to its public role. They must, for example, also make an effort in the area of culture. And this is one of the points of discussion: does VRT offer enough culture, because that's just one of its tasks."

"Let's not mince our words: if private competition hadn't come along when it did, the public broadcaster would be far less smart and attractive"

Of course you can also ask a far more fundamental question: is there actually any need for public broadcasting? Can't the market organise everything itself? For example, is public broadcasting necessary in order to ensure pluralism? In the press, there are only commercial ventures, and their great number ensures precisely the media pluralism that is so prized.

We don't need a public newspaper to ensure this.

"The historical background is different. Throughout Europe, we come from a situation where there were only public channels and stations, monopolists. Everywhere, governments experienced the challenge of organising competition, and fortunately they came to the conclusion that there had to be room for a public broadcaster, not just in order to provide what commercial channels and

stations don't provide, but for the sake of the necessary pluralism. The debate now is about whether most public broadcasters haven't started behaving like ordinary commercial broadcasters, or whether they are remaining faithful to their actual roles. But we need to be careful: look at America, where all the media have been driven into a single corner - healthy pluralism in the press is really on the danger list there. So it's important to have a strong public broadcaster. But at the same time the private channels need to be able to obtain sufficient funding from the market to compete actively. Because let's not mince our words: if private competition hadn't come along when it did, VRT today would also be far less smart and attractive."

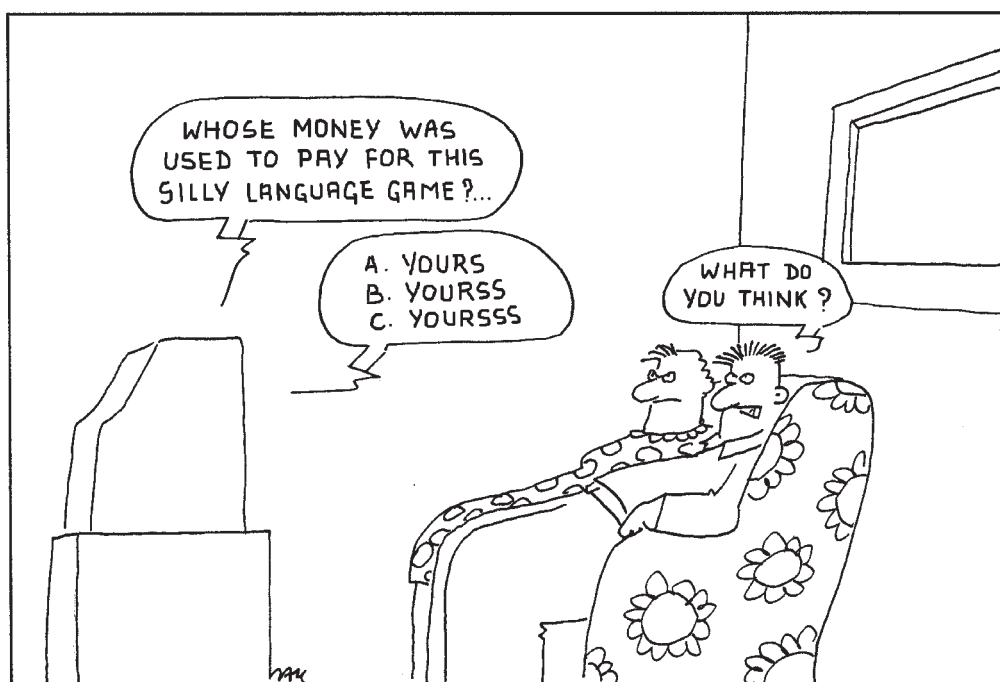
So there needs to be a strong public broadcaster. But VRT argues that that is only possible with mixed financing. Bert Degraeve (the former chief executive of VRT, ed.) said at the time that he needed advertising, not so much for the money, but to teach the business to operate in a market-oriented fashion, basically in order to make VRT more dynamic. Do you go along with that? "No, that's like wanting to have your cake and eat it. Collecting a pile of tax money on the one side, and then on the other side, under highly advantageous conditions, starting to compete with the private sector. You don't have a level playing field when you do that."

There are people who claim that the government here will never dare to cut public broadcasting down to size, because it's too powerful. It's a political issue that can make or break careers.

"I do think that the system is distorted. When public broadcasting becomes so dominant, only very few politicians dare to stand up and say that it has overstepped the bounds. Or who dare to oppose the reasoning that VRT can do anything that isn't illegal, such as setting up the sports channel Sporza. Nobody dares to do that. And there's no independent body to do it either..."

So you end up with a conflict between public broadcasting and the government, a trial of strength?

"That's right. But the government has to be the arbitrator. That is its role and its responsibility, and if the government lacks the courage, the task should be assigned to an expert, independent body with real power."



A landslide in the airwaves

2004 was an all-round fantastic Q-year. Even though the consequences of the new Flemish Frequency plan were only implemented in May, the frequency switch caused a spectacular rise in the market share of our radio station: from 10.7% at the beginning of 2004 to 18.7% by the end of last year. Where previously around thirty weak-reception frequencies were necessary to cover the whole of Flanders, 5 frequencies are now sufficient. The technical transfer was flawless and the 'Frequency man' saw to a successful communication campaign to accompany the changeover.



*Q in numbers

Last year Q-music caused a landslide in the Flemish radio landscape. According to figures from the CIM listeners poll, the market share of the young radio station grew from 6.8% in the first half of 2004 to 11.2% in the second half of the year. An increase of 64%, due to the frequency switch and accompanying communication campaign.

Among the most important target group for advertisers, the 18 to 44 year olds, the growth was even more spectacular. It grew from 10.7% to 18.7%, which is a rise of about 75%. As a result, Q-music is now the second largest radio station among 18 to 44-year-olds.

More listeners than ever are convinced that Q is indeed good for you. By the end of 2004 more than 666,000 Flemish people were listening to Q-Music daily, in contrast to 471,000 during the first half of the year.

The programme framework remains more or less the same. The basic goal is also the same: make professional radio with a good mix of music and text, and offer reliable information for young, active adults. Yet, the accent is more on music, as Q's motto underlines: 'Minimum Talk, Maximum Music'. The whole block from 10 am to 4 pm was further streamlined so that despite the change of presenter it remains one clear entity: office radio for working listeners. Before that, Deckers and Ornelis now set the morning block in motion with their inimitable D&O morning show (from 6 to 9 am).

The strong baseline 'Q is good for you' was underpinned even further with varied, campaigns and showcases from Marco Borsato, Joe Cocker and Clouseau. It is the quality, not the quantity, that is important with these campaigns. The winner of the Mastercard-competition at the beginning of 2004, for instance, got to spend 25,000 euros in one day!

The successful campaign about the frequency changeover was followed up with an image campaign in order to use the newly extended coverage to the full. The new image ad that relayed the 'Q is good for you' message premiered in cinemas alongside the forceful existing TV campaign. The image campaign was repeated on two occasions later the same year.

During the summer months, the Q-yacht called at various Flemish harbour towns: Antwerp, Ostend and Blankenberg. The Q-dj's provided summertime live-programs from these locations, which generated huge interest from holidaymakers. A fully-fledged billboard campaign heralded the new Deckers & Ornelis season in September, and was successfully repeated in November.

More and more advertisers began to include Q-music in their radio planning. Q's share of radio advertising in Flanders amounted to 10.4% in January 2004 (according to MDB), but rose to 16.2% by December. Concerning advertising revenue, Q-music largely caught up with radio 2: there was only a difference of 2% throughout the whole year. To put it in real figures, advertising expenditure grew from 6.5 million euros in 2003 to just under 10 million in 2004. This rise exceeded all expectations.

At the end of December Talpa International, based in The Netherlands, took over 4FM, a competing radio station. The new management decided to incorporate the commercial services of Q-music. The most important ramification of this is that from January 1 onwards, the production team at Q-music are now also responsible for 4 FM.

Q-music • commercial radio station • since 2001 • management:
Peter Bossaert • www.q-music.be • Vlaamse Media Maatschappij nv
www.vmma.be

Exclusive interview with Frequency man

**"The secret of my success?
My lovely suit!"**

Hello, Frequency man?

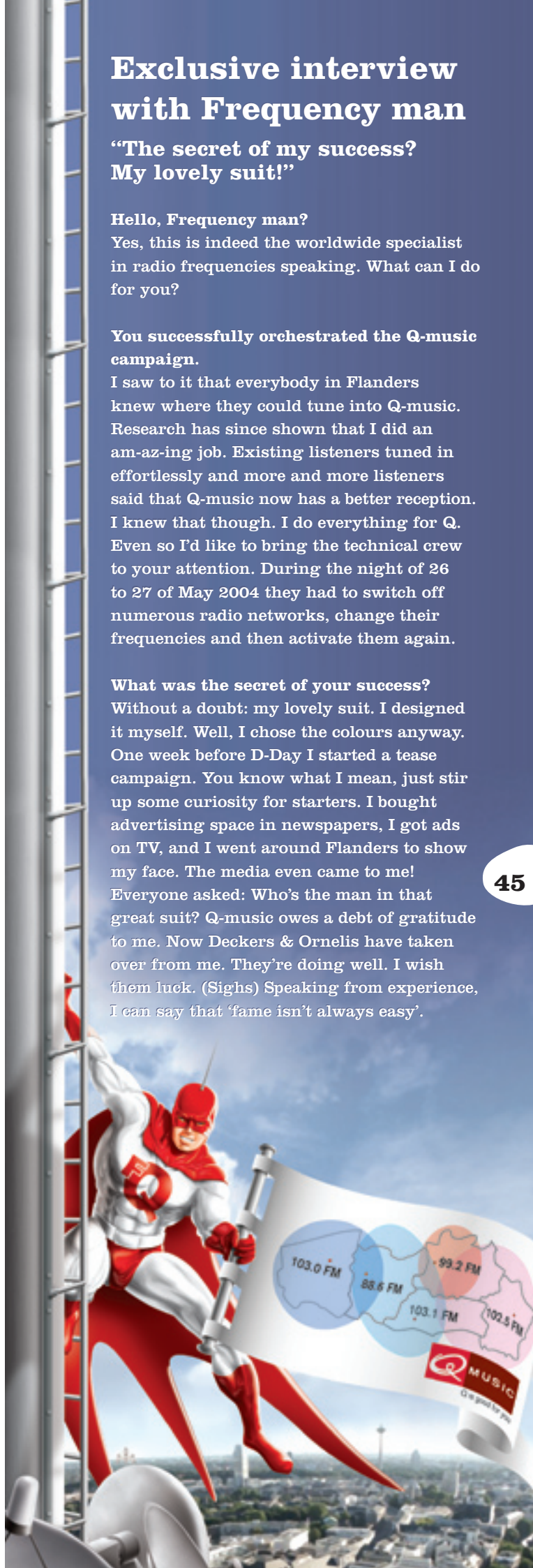
Yes, this is indeed the worldwide specialist in radio frequencies speaking. What can I do for you?

You successfully orchestrated the Q-music campaign.

I saw to it that everybody in Flanders knew where they could tune into Q-music. Research has since shown that I did an am-az-ing job. Existing listeners tuned in effortlessly and more and more listeners said that Q-music now has a better reception. I knew that though. I do everything for Q. Even so I'd like to bring the technical crew to your attention. During the night of 26 to 27 of May 2004 they had to switch off numerous radio networks, change their frequencies and then activate them again.

What was the secret of your success?

Without a doubt: my lovely suit. I designed it myself. Well, I chose the colours anyway. One week before D-Day I started a tease campaign. You know what I mean, just stir up some curiosity for starters. I bought advertising space in newspapers, I got ads on TV, and I went around Flanders to show my face. The media even came to me! Everyone asked: Who's the man in that great suit? Q-music owes a debt of gratitude to me. Now Deckers & Ornelis have taken over from me. They're doing well. I wish them luck. (Sighs) Speaking from experience, I can say that 'fame isn't always easy'.



With Paratel television is more

At the end of 2003 the Vlaamse Media Maatschappij decided to hand over its new media activities to Paratel, which had previously earned its reputation in the digital battleground by being the first to connect TV programmes to fixed and mobile telephony. In 2004 both corporate cultures were combined and a new management team was put together. Paratel expanded its product line from 2 to 5, put the first steps towards iTV and digitally enhanced ten programmes for VMMa. "The new wind earned Paratel hitherto unseen turnover figures for Paratel - and doubled its net result", said Yannic Beckers, Managing Director of Paratel.

In addition to the IVR platform (Interactive Voice Response) and the mobile communications activities, Paratel also took over the management of all Teletext and Internet channels of the VMMa stations as well as their advertising management. Paratel produced new websites for all the VTM, KANAALTWEET, JIM and Q-Music programmes. The web team built the VMMa b2b site, a jewel in terms of design and technology, which, thanks to a revolutionary Content Management System is automatically supplied with up-to-date content.



The 'Vlaanderen Interactief' (Inter-active Flanders) project on iTV, in partnership with Telenet, VMMa, VRT, VT4 and the Flemish Government, has given Paratel an important lead in this new form of inter-activity. Three hundred families were able to watch television inter-actively via a set-top-box. For the first time in Flanders it was possible to vote simply by using a button on the remote control. In this practical example viewers were able to select their favourite "Idool". This application was designed in Native JAVA for MHP, a world first that did not go unnoticed in the foreign specialised trade press.

But there are even more applications for viewers: they can also air their views about the subjects that come up on talk shows or they can order products advertised on TV.

One last development in inter-active digital television is the digital Teletext for VMMa stations. This is just now emerging from the laboratory phase and is ready for the public. Paratel will also be setting up iTV applications for other stations in 2005, as well as for production companies, and advertisers from different sectors.



interactive than ever before

Yannic Beckers: "Vote for your 'Idool' with your remote control"

"In February 2004 Paratel was commissioned by production company Endemol to develop and start call TV in Flanders and Wallonia.", says Yannic Beckers. "For the programmes 'Puzzeltijd' on VTM and 'Le Mot Gagnant' on RTL/TVI we created a high-performance IVR platform unit that was able to handle thousands of calls simultaneously and that broadcast the statistics live. This also inspired us to develop applications that added a live element to the above-named TV programmes. While 'Qui sera multi-millionnaire' and 'Miljoenenjacht' were being aired on RTL/TVI and VTM respectively, thousands of viewers were able to play live in a viewers' competition and the names of the winners were shown on the screen. This led to an even greater sense of inter-activity".

One of the milestones for inter-active TV viewers was the 'Idool' final. "In terms of performance, the connections with the mobile telephone operators were really put to the test last year. During the finals of 'Idool' in 2003, the slowest sms vote took more than 33 minutes to get through from the operator to the Paratel servers and applications, in 2004 this was reduced to less than 30 seconds. 84% of the votes were handled impeccably in less than ten seconds."



Paratel has also developed other sms applications. "Among others we developed an SMS-based database connection for BIAC that keeps flight passengers up to date on the arrival and departure times. For KANAALTWEE we made a digitally animated father Christmas, who presented sms Christmas wishes on screen thanks to text-to-speech technology, and for P-Magazine we launched an mms service whereby subscribers with an mms machine were able to receive the 'babe of the week' on their mobile phones."

"We also experimented with new technologies. Paratel sent out discount vouchers and entrance tickets via sms. This didn't simply involve sending out straightforward barcodes, but 2D barcodes. A normal barcode on a mobile phone is hard or impossible to read with normal barcode scanners. Devaluing the 2D coupon is carried out by holding the sms in front of the barcode scanner in the shop outlets, which writes all the details into a database and reproduces a personal welcome message on the screen."

www.hln.be



In just one and a half years this has grown into the largest news site in Belgium. The site had no less than 733,366 unique visitors in December: 90,000 more than the second largest news site that had been on-line for eight years at that point in time. www.hln.be was the fastest growing site in 2004.

The website offers six editorial sections. Kanaal Nieuws (The News Section) consists of: Multimedia, The Bizarre, Showbizz, Foreign News, Science, Economy, Health and the Weather. Kanaal Sport (The Sports Section) provides news on Belgian Football, Foreign Football, League Championships / UEFA, Bike Racing, Tennis, Car and Motorbike Sports and More Sport. In 'The Fun Section' visitors will find On-line Games and the 'Golden Games' that are very popular. Sixty % of the people who play the football game 'The Golden Eleven', do so on-line.

Kanaal KIDS (The Kids Section) started up last year and is a world all of its own with Disney, Studio 100 and Informative Sites. In the 'The Car Section' you can get Car News and Car Reports. 'The Travel Section' provides Travel News, Travel Links, Travel Reports and Special Deals (City Trips, Hotels, Flights, Promotions, Last Minute Deals, Holiday Accommodation, Long Haul Destinations and Winter Holidays). The former site check-in.be was integrated into Kanaal Reizen last year.

Thanks to the extensive selection of information and entertainment available www.hln.be is the Belgian family site par excellence.

Profile

- Mainly families with children
- 54% men / 46% women
- Selective in the 35-54 age group
- 58.7% married with children
- 76.6% in active employment

Brand new, but strong on-line

What Paratel does for VMMA's websites, the New Media department does for Aurex. With its staff of thirty people, it produces the website for Het Laatste Nieuws – www.hln.be – and for the so-called 'special section sites' – www.autozone.be, www.immonet.be and www.yezzz.be.

Aurex ventured into websites relatively late, in 2002 only. Management waited until there was a generally rising market in advertising income as they did not want to get into the Internet story before they had first come up with a solid business plan. Their point of departure was that the different media should not compete with each other, but rather strengthen each other. This is why Aurex never went for the option of making the newspaper available on-line for free. For the same reasons it decided not to include regional news; this is the core business of printed newspapers.

www.yezzz.be

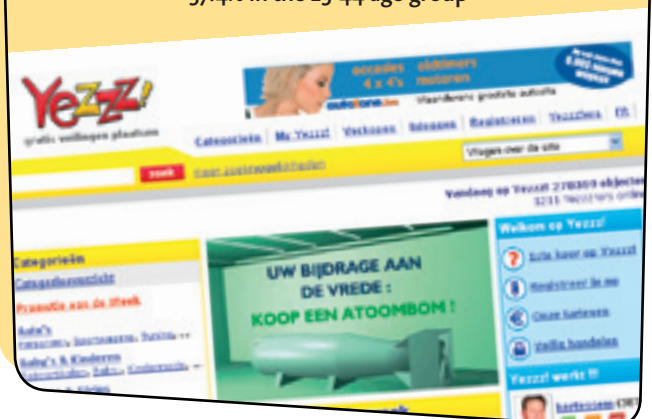


This site was taken over in October last year and has 180,000 signed up members.

Users can buy and sell just about everything on-line through auctions or classified ads. Visitors can find everything from clothing, furniture and collectibles to computers and hi-fi equipment, all on this virtual marketplace. In December 2004, the total number of unique visitors per month reached 409,000, while one year earlier this number was only 150,000. Advertisers are allowed to advertise for free for the auctions. They just pay a transaction fee when they make a successful sale. In addition to auctions it is also possible to place classified ads for a fee on Yezzz.be.

Profile

- 60% men - 40% women
- 58.1% families with children
- 57.4% in the 25-44 age group



www.autozone.be



The largest car site in Belgium. In 2004, Autozone received an average of 250,000 unique visitors per month compared to 100,000 in 2003. The bi-lingual site has the largest on-line selection of second-hand cars. At the start of 2005, www.autozone.be expanded its content with a database that included all the cars available on the Belgian market, with all their technical specifications.

Visitors to the site can look up cars by brand, price group and year of manufacture. For each search the site provides test reports with positive and negative points of the specific model and shows which articles have appeared on that car. There is also practical information about purchasing a car.

Profile

72% men - 28% women
87% between 18-54
77% professionally active



The aim was not for the site to be an electronic copy of the newspaper, but to have the same image and just as broad an audience. Just like Het Laatste Nieuws itself, www.hln.be provides not just general news and sports, but also entertainment. Last year, www.hln.be started a Kids section and a section about travel in addition to the car section. The complete concept with six editorial sections is a success: since its launch in July 2003, www.hln.be has grown into one of the largest information sites in Belgium.

Where possible, the site carries promotional actions for the newspaper. In 2004 for instance, an on-line promotion was set up offering a Pennenzakkenrock CD, with rock music for children. A quarter of the 40,000 participants printed the stamp book for the CD via the Internet, but they collected their points in the newspaper.

The websites www.autozone.be and www.immonet.be were launched in 2002 and 2003 respectively from the classifieds section of 'De Markt' in Het Laatste Nieuws and De Morgen. The auction site www.yezzz.be was taken over in October of last year. The thing that makes these "special section sites" so successful is that they are so functional and user-friendly. They are database-driven and offer a very broad selection of items. On www.immonet.be there are approximately 13,000 properties, on www.yezzz.be 250,000 articles and on www.autozone.be 14,000 second-hand cars.

Last year saw the launch of the Autozone-magazine, a monthly magazine which features the complete range of cars available on the Belgian market. The objective is to increase brand awareness of Autozone.be. Part of the classified ads are still run in the car section of the newspaper. Newspaper readers visit the site and vice versa. Last year Autozone became the market leader among Belgian car websites.

Also last year, the internal ad sales department Targetonline was set up alongside the external company AdLink to handle advertising sales. Its objective is to sell on-line advertising and to promote the Internet as an advertising medium. De Morgen produced its own website, but also uses Targetonline.

The sites are fairly restrained as far as advertisements are concerned. You will never see an advertising page first and only then get to the articles. Yet, advertisers can choose two of the largest on-line advertising formats in Belgium from Targetonline. Thanks to these large formats advertisers have sufficient space to build up brand image. Moreover, these large on-line advertisements produce high response figures.

www.immonet.be



A real estate site with more than 13,000 properties on-line, for sale or for rent. Classified ads for new housing developments are also included on the site. Users can search by region, district, budget or type of accommodation. At the end of 2004, www.immonet.be was attracting 100,000 unique visitors per month.

What is unique about the site is that it provides much more than simple real estate information. Anybody carrying out a search in a specific district can get all the socio-demographic details about that district for instance. Surfers can also look at postcards or aerial photos of the region. For this, the site works together with the promotional department of Het Laatste Nieuws.

Profile

Largely female
86.3% between 18-54
77% employed full or half time



“Personal media are the mass media of the future”

Do the new media present a threat to traditional media? Or is it more of a welcome addition? 7 years ago, Monique van Dusseldorp, electronic media researcher and consultant wrote about this subject in a report entitled “Future of the Printed Press, Challenges in a Digital World” which was commissioned by the European Commission. What has changed since then? “Media are ‘consumed’ in a completely different way nowadays. A power has emerged that is very important for the future of mass media”. Van Dusseldorp sees seven noteworthy developments.

by Joris Van Roy



Trend 1: personal information (on-line diaries)

“People today are a lot more involved in their own ‘personal information’. They chat, e-mail, put their photos on-line and are constantly busy adding personal information to the huge network. Internet users readily provide an enormous amount of information about their relationships and their behaviour patterns. Advertisers are able therefore to get their messages through to their personal domains very easily”.

“If you put your holiday photos on Flickr, you will start receiving targeted advertisements. If you use Google’s Gmail, the words you use will act as a trigger for small advertisements that appear in the margins. Anyone who uses MSN chat or keeps a diary on MSN Spaces, immediately advertises their music preferences.”

“Quite a lot of things still go wrong, though. If I say “Paris, I’d never go there even if you paid me”, for instance, I will probably receive a ton of offers from tour operators for trips and deals involving Paris. But the systems are becoming increasingly intelligent. And most people do not see this advertising as a nuisance, because it actually targets those areas that they are interested in.”

Trend 2: privacy problem (everyone’s watching)

The other side of this coin is: “People do not realise that their lives are gradually becoming extremely recognisable and so ‘ransackable’. There are some really dangerous aspects to this. You can gain certain insights when you are fifteen, but you won’t be very happy if your employer can still dig these up quite easily when you reach forty. Another aspect is that even people who do not post information on-line themselves, can still be traced via any number of files or in some other ways - through the association newsletter of the sports club for instance. This simply increases as more and more people start sharing

all sorts of photos and videos with each other. Just think of the combination of webcams in public places, digital photos where the location is mentioned, visual recognition software and fast search databases.” “If there is a complaint about privacy, it is often about the government. We find that they do not need to know all about us. But the real problem is the information about ourselves that we share with others”.

Trend 3: customised information (crossword puzzles, but no world news)

“People are increasingly looking for information. A newspaper provides a whole package of information and services in one single shot. This is an opportunity for cross-financing. These services are much more separated out on the net and it is sometimes surprising to see what works and what does not. The on-line version of the New York Times has just one paying section and that is the crossword puzzle, with hundreds of thousands of subscribers. So, you have a newspaper with a news team made up of some of the most intelligent and expensive people in all America, who work to the bone to get the best stories, but who don’t get anyone paying for the service. And people pay \$35 per year for just the one Saturday crossword puzzle.

Trend 4: new forms of advertising (the mass model is out)

“Even if a newspaper succeeds in keeping its existing subscribers or in getting new ones, advertisers also like to shop around with different media. With the Internet they have a new mobile medium that will do everything they want, record response rates, provide detailed information about consumers, build up databases. A radio spot that quotes a specific website can provide them with a very finely targeted and effective medium.”

“What always amazes me, is that traditional publishers are so bad at their Customer Relation Management (CRM) strategy. You would think that publishers that have been on-line since the nineties would have their own database with all the data about their subscribers with e-mail addresses, telephone numbers and all possible areas of interest per subscriber. All information that could be useful for an advertiser should be gathered actively. But they don't do that! They don't want to know! The same actually applies to most broadcasting companies. With a few exceptions, they remain inseparable from the mass media system, while for ten years they have had the resources within hand's reach literally, to gather one-to-one information for their own clients, their advertisers, that would be extremely interesting for all parties concerned. The combination of a mass medium with this detailed information about consumers, seems to me to be very important if you don't want to lose advertising income.”

Trend 5: news about consumers (everyone becomes an on-site reporter)

“Just after the Tsunami, a whole stream of amateur video films appeared on-line. This was a typical news event whereby the news was largely provided by direct eye witnesses, who put it on-line themselves. We are on the threshold of a new revolution. If you have an audience that is accustomed to new media, if they have a video camera and they chat on-line, then these people are also busy looking at things that happen around them. If something happens locally, some news event, then this is often witnessed first by a random passer-by before a journalist. And this passer-by makes a photo and puts it on-line, or sends out a mailing with it. Moreover, a lot of people keep weblogs, about anything and everything. It is this stream of information that rises to the surface in those instances which the traditional media do not know how to handle. In the Netherlands there is the news site www.nu.nl that invites users to send in their news photos. ANP, the Dutch press agency pays up to 60 euros for the photos they use for further publication. The main photo in the Telegraaf after the murder of Theo Van Gogh, came from a random passer-by using a mobile phone with a camera. This man was finally paid 1,500 euros for his photo. In instances like this, everyone realises

what such a photo is worth. But most people are busy adding things to the web for free. The New York Times paid 400 million dollars for the website About.com, an amazingly successful site where enthusiasts post information about their own area of expertise.”

Trend 6: the power of the local media (local news is hip)

“In Sweden the most profitable magazines are local magazines that have a circulation of 30,000 or less. There were previously just a handful of TV stations. What do people talk about the following day? About what they have seen on the television. But there are now many more TV stations and there are also so many other sources of information. To such an extent that there are no more shared topics of discussion. But there is only one local newspaper. And suddenly this local newspaper is the focus of discussion for the day; because it is the only thing that everyone has in common. There are just a few exceptions that work better. Football for one, or the final of 'Idols'”.

Trend 7: the power of personal recommendation (mouse-to-mouse advertising)

“There is a strong move towards 'information on demand', both on television and on the Internet. This no longer refers to stations, but to specific programmes. Everything that has ever been produced can now be seen again at any moment of the day. Moreover, there is also a whole range of general channels that present particular items and provide advice on which to choose. This does not necessarily involve people, the information can be provided automatically, as in Amazon's case for example. Systems that say to you: 'Mrs van Dusseldorp, you enjoyed this book, we think you may also like that book'. But it can also be very spontaneous and explicit, if people forward things to each other. How many of these fun advertising films do you get in your inbox? People are social animals. They have a great need to share experiences with each other. To this end they look for things that they not only find interesting or fun themselves, but that they might like as a group. People create their own 'shared experience', by saying to each other 'you must read this, you must choose this.'”



From André Rieu to DJ Tiësto

The combination of Sherpa's events database and the possibility of booking direct is more successful than ever: the ticketing business in 2004 hit a peak with sales of one million tickets. In 2001 sales were just 125,000.

Internet sales have grown unbelievably fast. In 2002 only 22.5% of Sherpa's sales were sold via the Internet. Last year they accounted for 40% of sales: a high percentage compared to the European norm. Once clients have bought a ticket via the Internet, they continue booking that way. In the autumn the site recorded daily peaks of more than 9,000 unique visitors per day.



The ticketing company started working together with two important new concert halls in the Flemish entertainment sector. The completely renovated Kursaal in Ostend (seating for 2,200) got off to a strong start with Arno and the Miss Belgium contest. The brand new Ethias Arena in the Grenslanndhallen in Hasselt – the largest hall in Belgium with seating for 16,000 – got off to a spectacular start. In record time 9,000 tickets for André Rieu and 11,000 tickets for DJ Tiësto were sold.

In the middle of August Sherpa designed a new website: with much more of an overall picture and more user-friendly. For each order, clients now receive an e-mail confirmation and they also automatically receive an e-mail for each stage of the sale of the ticket, so even when the payment has gone through and when the tickets have been sent.

In order to provide better service, Sherpa decided to bring the call centre entirely into its own premises, using its own technology. This meant hiring experienced staff. At peak moments (November-December) 25 people are simultaneously at work on the phone, handling several thousands of calls per day.

Goodbye to De Persgroep

In early 2005, VMMa sold its 50% stake in Plopsaland to Studio 100. The two parties entered into a share transfer agreement because the theme park does not belong to VMMa's core business, and because VMMa's primary task was completed during the park's startup phase. The other collaborative projects between Studio 100 and VMMa, in the area of television programmes and the annual fairy tale musicals, will continue.

In 2004, Plopsaland welcomed a record number of 781,000 visitors, including over 20% from the Netherlands. The theme park's turnover rose from 12,8 million euros in 2000 to 17,8 million euros in 2004, a 38,4% increase.

The park introduced three new attractions. 'The Dragon' is a rollercoaster whose departure station has been transformed into an imposing medieval castle. Visitors overwhelmingly voted it Plopsaland's most popular attraction. 'The Fire Brigade' is an interactive attraction in which visitors have to put out a fictitious fire with water. The park also launched a new double-decker merry-go-round with original, handmade, wooden horses.



The theme park also opened a Plopsaland shop in the popular Wijnegem Shopping Centre, near Antwerp. This shop sells Plopsa merchandising, but also acts as an information and marketing center for the existing park in De Panne and the forthcoming park in Hasselt. Plopsaland entered into a partnership agreement with non-profit organisation De Grenslandhallen vzw in Hasselt, thus laying the basis for an additional indoor park in December 2005; this park will be open all year round.

The good causes of De Persgroep

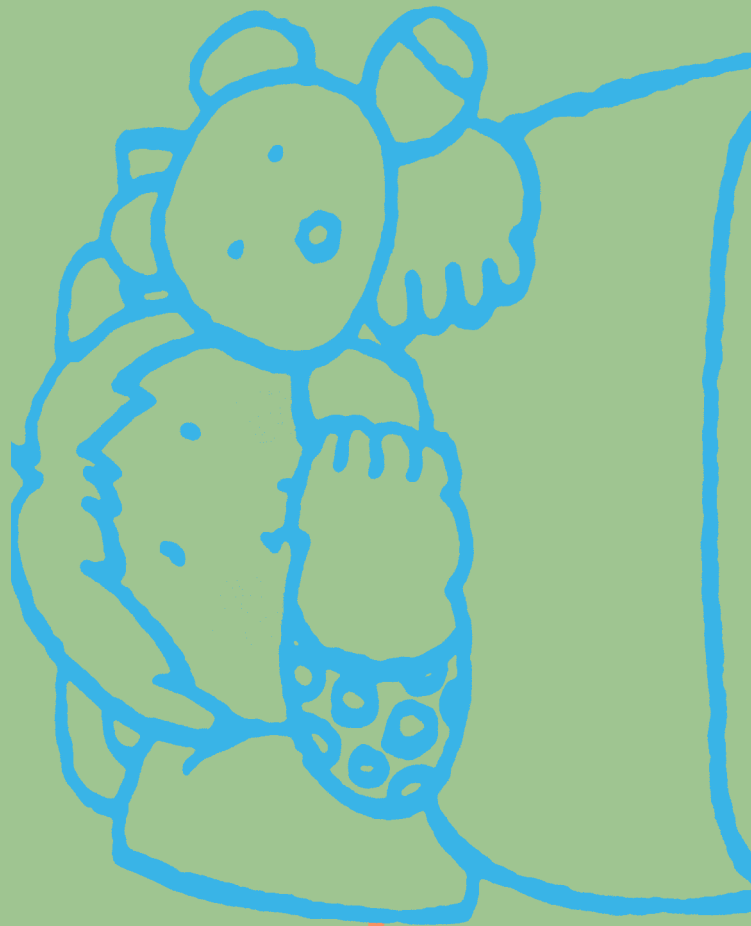
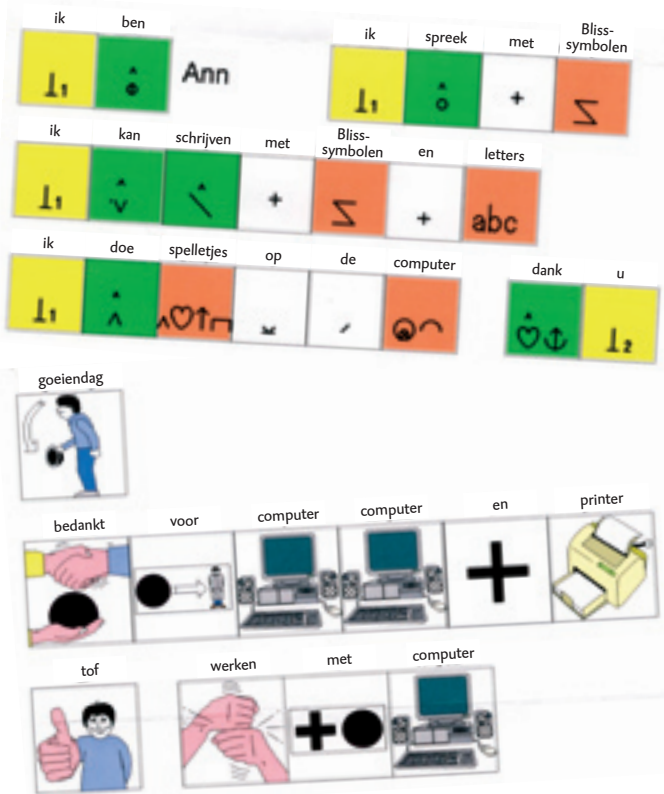
We are convinced that De Persgroep also has a social role to fulfil. The examples below demonstrate how we go about this together with different organisations.

The non-profit making organisation Koninklijke Vereniging Kindergeluk was set up to provide underprivileged children with new social and cultural opportunities. It accomplishes this by working together with organisations that work on a daily basis for and with children in need. Thanks to their professional advice, resources are used in the most effective way, the most important goal being to avoid children becoming socially isolated.

The organisations involved are either homes where children can be placed through the intervention of the youth welfare service, family help services and/or community centres, day centres, organisations that help children with learning difficulties and children who are seriously ill or organisations dedicated to integrating handicapped children.

Thanks to De Persgroep, its staff and readers of *Het Laatste Nieuws*, members and sympathisers, this non-profit making organisation collected a total of 82,907 euros in 2004. As in previous years, a large number of material donations such as toys and school materials were also donated by the other subsidiaries of the

group. The logistics support provided by De Persgroep means that operational costs can be kept to a minimum, which in turn means that almost the entire sum collected can be spent on the objectives of the association. A large part of the budget each year goes towards holidays. *Die-'s-Lekti-Kus* also benefited from support enabling them to distribute their second information folder about learning difficulties to all Dutch language schools and learning help centres. These folders contain information on how to recognise the different types of learning difficulties and what steps to take. In addition to the annual Christmas party with Father Christmas for 500 children, a lot of other smaller actions took place that benefited several thousand children. Kindergeluk in fact prefers small-scale actions as they often mean a lot to the children involved.



kindergeluk

The Witte Bedjes Het Parool Foundation was set up in 1972 and finances activities for 10,000 sick and/or handicapped children as well as children in need in Amsterdam and surroundings. In 2004, the Foundation collected a total of 224,457 euros. The money was collected through donations, an annual mailing to Het Parool subscribers and public campaigns. One of the campaigns that is organised each year by the Foundation is a sponsored run during the “Dam tot Dam” run. Each year part of the money collected goes towards grants for around one hundred hospitals, institutions and special education schools. In 2004, six associations that organise sports for handicapped children were given special support.

Levenslijn - Kinderfonds is an initiative of VTM and is run by the King Baudouin Foundation. Last year, as in 2002, Levenslijn - Kinderfonds collected money for projects on the theme of ‘(Traffic) safety for children and young people’. This campaign is being continued in 2005 and therefore the final figures are not yet available. The money is collected principally through campaigns in newspapers and magazines, donations and local initiatives. In addition to this, structural partners and the government lend a helping hand. Last year fashion designer Walter Van Beirendonck designed fluorescent jackets, slapwraps for the Kinderfonds. Levenslijn - Kinderfonds donated around 50,000 euros to 112 projects run by associations, schools and committees that work on implementing safer traffic infrastructures. 500,000 euros went to a project to contribute to the campaign for greater safety. The Kinderfonds donated 7,000 safety packages comprising fluorescent jackets, red and white lights and a brochure with the new traffic regulations to the official national youth movements. One third of the money collected goes towards scientific research into disorders or problems resulting from traffic accidents. Zebra, the non-profit organisation set up in 2002 by the Kinderfonds, also receives donations from Levenslijn. This organisation helps traffic victims to rehabilitate and provides support to their families.

* Tsunami

De Persgroep collected a considerable amount in aid for the victims of the Tsunami that took place on Boxing Day 2004.

- Het Laatste Nieuws doubled the amount donated by readers by 14 January. Together with the donations from Aurex and its staff, the total donation amounted to 286,010 euros.
- Dag Allemaal sold a special DVD with its 18 January issue, which was sold for an additional cost of 1.50 euros. Magnet Magazines’ management decided to top up the amount collected to a round 130,000 euros.
- De Morgen sold its 15 January issue for 2 euros and donated the total revenues for the day to the action, a total of 52,269 euros.
- Staff at Het Parool donated 84 days’ worth of holiday allowances as their contribution. The resulting amount was topped up by management so that a final donation of 20,000 euros was transferred to giro 555.
- VTM, together with VRT, organised the television programme for the 1212 campaign. That evening a grand total of 38,057,187 euros was collected.



De Persgroep nv
www.persgroep.be
02/454 22 11
Brusselsesteenweg 347
B-1730 Kobbegem

Publishing activities

Aurex nv
Het Laatste Nieuws
www.hln.be
02/454 22 11
Brusselsesteenweg 347
B-1730 Kobbegem

De Nieuwe Gazet
03/212 13 30
Rijnkaai 97
B-2000 Antwerp

Zone02/
www.zonemagazines.be
02/454 25 11
Brusselsesteenweg 347
B-1730 Kobbegem

Zone03/
www.zonemagazines.be
03/470 21 70
Rijnkaai 97
B-2000 Antwerp

Zone09/
www.zonemagazines.be
09/218 78 90
H. Fermanstraat 40
B-9000 Ghent

Zone010/
www.zone010.nl
0031 (0)10 799 09 70
Rivium, 1e straat 62-80
NL-2909 LE Capelle a/d IJssel

Zone020/
www.zone020.nl
0031 (0)20 558 43 96
Czaar Peterstraat 213
NL-1018 PL Amsterdam

Uitgeverij De Morgen nv
De Morgen
www.demorgen.be
02/556 68 11
Arduinkaai 29
B-1000 Brussels

Editeco nv
L'Echo
www.lecho.be
02/526 55 11
Birminghamstraat 131
B-1070 Brussels

Uw Vermogen
www.uwvermogen.be
03/880 84 50
Brandekensweg 2
B-2627 Schelle

Contact information

for the companies of the group

Het Parool bv
Het Parool
www.parool.nl
00 31 (0)20 558 44 44
Czaar Peterstraat 213
NL-1018 PL Amsterdam

Magnet Magazines nv
Dag Allemaal/Expres, TV-Familie/
Blik, Joepie, Goed Gevoel,
Genieten, Touché, Netwerk,
Woef, TV2Weken, Uw Vermogen
www.magnetmagazines.be
03/880 84 50
Brandekensweg 2
B-2627 Schelle

Advertising sales

Impact
advertising in De Morgen and
Het Laatste Nieuws/
De Nieuwe Gazet
www.impactregie.be
02/454 22 01
Brusselsteenweg 347
B-1730 Kobbegem

Targetonline
on line advertising
www.targetonline.be
02/454 22 16
Brusselsesteenweg 347
B-1730 Kobbegem

Magnet Regie nv
advertising in Dag Allemaal/
Expres, TV-Familie/Blik, Joepie,
Goed Gevoel, Genieten,
Touché, TV2Weken, Netwerk,
Uw Vermogen, Woef
www.magnet.be
02/454 23 90
Brusselsteenweg 347
B-1730 Kobbegem

Full Page nv
national advertising in the
newspapers published by De
Persgroep, Rossel and Concentra
www.fullpage.be
02/542 10 10
Waelhemstraat 68
B-1030 Brussels

Trustmedia esv
advertising in (among others)
L'Echo and De Tijd
www.trustmedia.be
02/422 05 11
Havenlaan 86c
B-1000 Brussels

Vacature cv
recruiting media
www.vacature.com
02/482 03 50
Pontbeekstraat 4 box 5
B-1702 Groot-Bijgaarden

Regionale TV Media nv
regional tv advertising
www.rtmv.be
02/467 58 77
Research Park - De Haak,
B-1731 Zellik

Audiovisual media

**Vlaamse Media
Maatschappij nv**
VTM, KANAALTWEE, JIM,
Q-music
www.vmma.be
02/255 32 11
Medialaan 1
B-1800 Vilvoorde

**Antwerpse Televisie-
maatschappij nv**
ATV
www.atv.be
03/212 13 58
Rijnkaai 104
B-2000 Antwerp

Interactieve media

Sherpa.be nv
specialised in cultural and
artistic leisure activities
www.sherpa.be
02/481 15 15
Pontbeekstraat 4 box 5
B-1702 Groot-Bijgaarden

Paratel nv
multi-media communication
company
www.paratel.be
02/255 66 11
Medialaan 1
B-1800 Vilvoorde

Miscellaneous

MediAcademie
contact: Iny Cleeren
02/454 23 71
Brusselsesteenweg 347
B-1730 Kobbegem

Plopsaland nv
www.plopsaland.be
058/42 02 02
De Pannelaan 68
B-8660 Adinkerke - De Panne

Kindergeluk vzw
contact: Monique Geurickx
02/454 25 41
Brusselsesteenweg 347
B-1730 Kobbegem

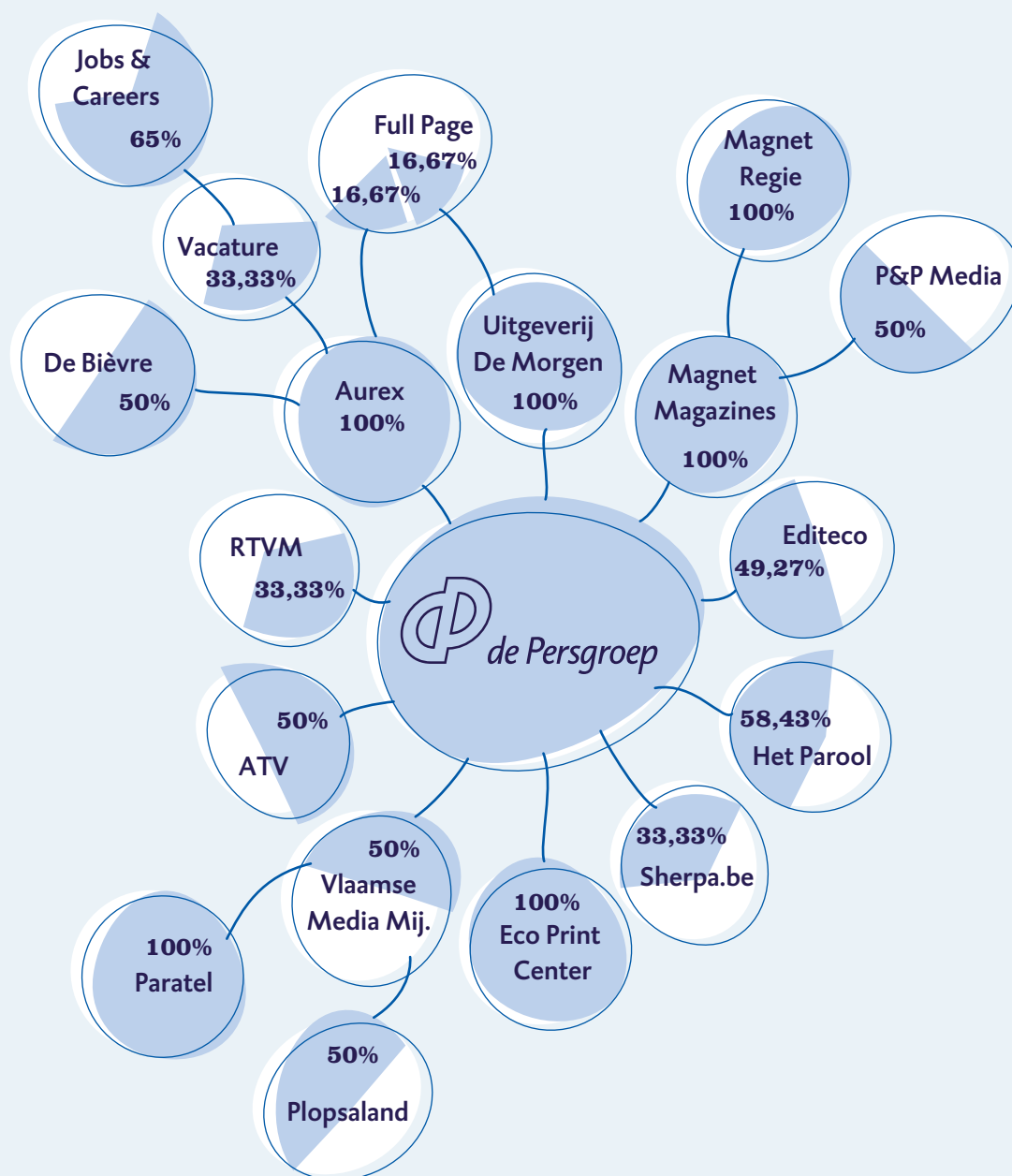
Stichting Witte Bedjes
contact: Simone Toppers
www.stichtingwittebedjes.nl
00 31 (0)20 558 45 53
Czaar Peterstraat 213
NL-1018 PL Amsterdam

Levenslijn-Kinderfonds
contact: Marc Dupain
www.levenslijnkinderfonds.be
02/255 39 70
Medialaan 1
B-1800 Vilvoorde

Financial report *de Persgroep 2004*



Group structure as of December 31st 2004



de Persgroep

Key figures *de Persgroep*

Income statement

(in mio €)	Audiovisual business			Publishing business			<i>de Persgroep</i>		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Operating income	111,8	119,0	137,6	181,3	215,3	246,5	293,1	334,3	384,1
Turnover	104,3	112,2	126,9	175,2	209,5	237,7	279,5	321,7	364,6
Other operating income	7,5	6,8	10,6	6,1	5,8	8,8	13,6	12,6	19,5
Operating charges	97,0	103,4	121,5	160,3	183,5	215,8	257,3	286,9	337,3
Raw materials, consumables and goods for resale	51,0	53,3	61,0	40,7	46,9	57,8	91,7	100,2	118,8
Services and other goods	26,5	30,4	39,0	63,4	79,8	91,0	89,9	110,2	130,0
Remuneration	17,3	16,3	16,9	46,0	49,6	56,6	63,3	65,9	73,5
Depreciation	2,8	2,3	2,7	7,2	6,8	8,2	10,0	9,1	11,0
Write-downs	0,0	0,1	0,2	0,4	0,2	0,0	0,4	0,3	0,2
Provisions	-0,9	0,3	0,4	1,4	-0,8	0,7	0,5	-0,5	1,1
Other operating charges	0,3	0,7	1,2	1,2	1,0	1,4	1,5	1,7	2,6
Operating profit	14,8	15,6	16,1	21,0	31,8	30,8	35,8	47,4	46,8
Financial results	-0,4	-1,9	-2,4	1,0	0,9	0,2	0,6	-1,0	-2,2
Amortisation of goodwill	-3,2	-3,2	-3,2	-0,3	-0,1	-1,0	-3,5	-3,3	-4,2
Extraordinary results	-0,1	0,0	0,1	0,0	0,0	-0,1	-0,1	0,0	0,0
Profit before taxes	11,1	10,5	13,7	21,7	32,6	30,9	32,8	43,1	44,6
Taxes	-5,9	-5,1	-6,1	-7,5	-10,8	-10,8	-13,4	-15,9	-16,9
Net profit	5,2	5,4	7,6	14,2	21,8	20,1	19,4	27,2	27,7
Equity-accounted result	0,1	0,2	0,3	0,0	-3,6	-0,4	0,1	-3,4	-0,1
Share of minority interests in result	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Group share in result	5,3	5,6	7,9	14,2	18,2	19,7	19,5	23,8	27,6
Ratios and key figures									
Net current profit ¹	8,5	8,8	11,0	14,5	18,2	20,7	23,0	27,1	31,7
Net current cash flow ²	10,4	11,5	14,4	23,5	24,5	29,7	33,9	36,0	44,1
EBITDA ³	16,7	18,3	19,4	30,0	38,0	39,7	46,7	56,4	59,1
EBITDA/operating income (%)	14,9%	15,4%	14,1%	16,6%	17,7%	16,1%	15,9%	16,9%	15,4%
Growth in operating income (%)	8%	6%	16%	4%	19%	14%	6%	14%	15%
Headcount	266	259	275	742	788	894	1.008	1.047	1.169
Balance sheet									
Capital and reserves							90,2	106,0	125,0
Total assets							224,5	248,1	300,5
Solvency ratio							40,18%	42,72%	41,60%
Net financial debts ⁴							15,0	22,4	-8,7

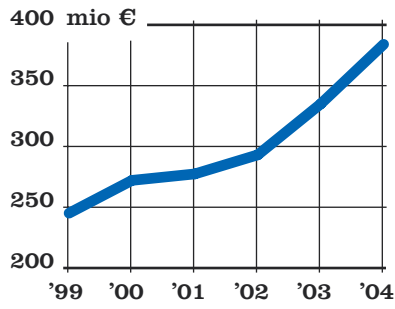
¹ Consolidated profit, group share, before amortisation of goodwill and extraordinary results

² Net current profit + depreciation + write-downs + provisions

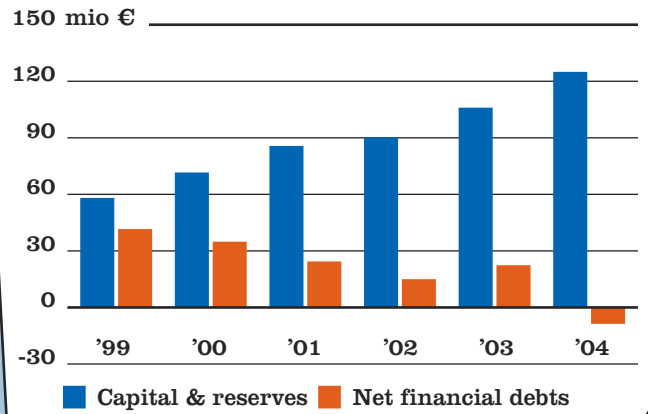
³ Operating profit + depreciation + write-downs + provisions

⁴ Financial debts + dividends - cash investments and cash at bank and in hand

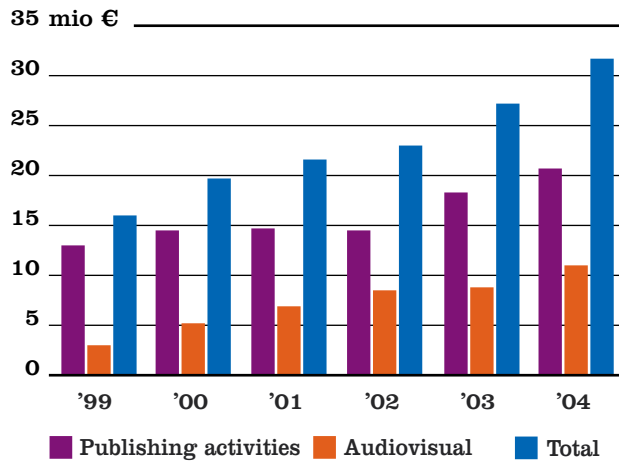
Evolution operating income



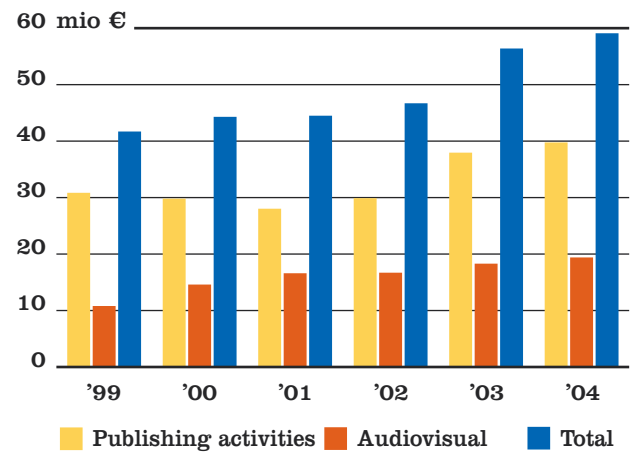
Evolution Capital & reserves/Net financial debts



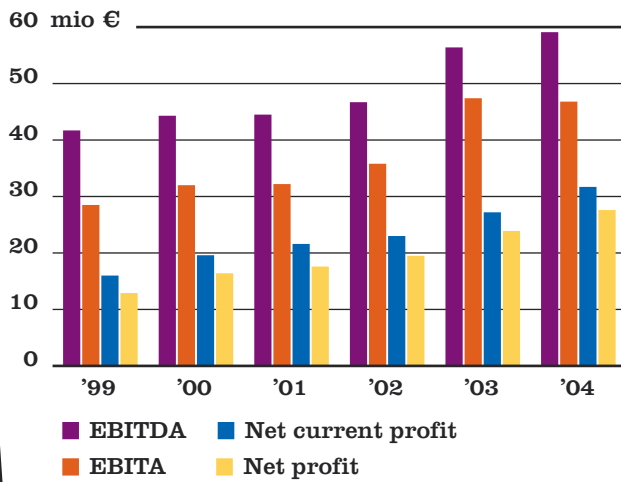
Net current profit



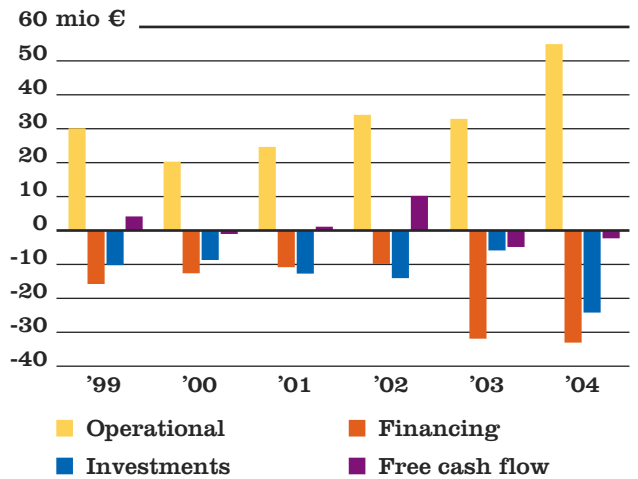
EBITDA



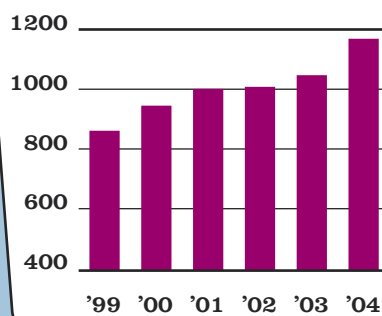
Overview key figures



Cash flow



Evolution headcount



Notes to the financial statements

by Piet Vroman, financial manager De Persgroep

Commentary on the profit and loss account

As it did in 2003, De Persgroep achieved turnover growth of nearly 15% in 2004. This was true of both its publishing and its radio and TV activities.

The group's publishing business growth was partly externally derived, with Editeco sa (L'Echo) being included in the consolidation for the first time. This had a 4.2% effect on publishing turnover and a 2.7% effect on overall group turnover. On 30 December 2004 the group acquired a majority stake in Het Parool bv. This is reflected in the balance sheet but not in the profit and loss account, where Het Parool bv was consolidated using the equity method, as it was in 2003. Het Parool will be fully consolidated as from 2005.

The consolidated operating income in 2004 was €384m, representing an annual growth rate of 13% since 1997.

However, last year's turnover growth also led to considerable growth in variable costs. The cost of both raw materials and goods for resale and of services and miscellaneous goods rose by 18%. Personnel costs rose by 11.5%. The size of the workforce increased by 122 to 1,169 full-time equivalents last year (excluding the headcount at Het Parool bv). This increase was partly external (Editeco sa: 50 FTEs), and partly the result of new initiatives across the group.

The new investment programme in Lokeren, which will run from 2004 to 2008 via the newly formed subsidiary Eco Print Center nv, led to extra depreciation and provisions on existing assets.

The resultant fall in operating profit was minimal, whereas the operational cash flow increased by around 5%.

The financial earnings improved considerably, partly thanks to the paying-off of financial debts and the realisation of exchange gains. However, depreciation on goodwill increased due to the inclusion of Editeco sa in the scope of consolidation (the associated goodwill will be depreciated over ten years in accordance with Belgian GAAP).

Taxation again rose by nearly €17m, implying an actual tax rate of 34.6% excluding depreciation on goodwill.

The results consolidated under the equity method improved substantially on 2003, when Het Parool's startup costs were taken in full to the profit and loss account.

Net profit, in accordance with Belgian accounting principles, came to €27.6m, a 15.5% increase. Net current profit (discounting depreciation on goodwill and extraordinary results) rose by 16.9% to €31.8m.

Notes to the financial statements

Commentary on the balance-sheet and cash flow table

De Persgroep's balance sheet remained extremely healthy at the end of 2004. The solvency ratio has been over 40% over the last 4 years. In terms of its net financial position, the group has even succeeded in achieving a net positive cash balance for the first time in 15 years. Financial debts have been virtually paid off and the cash position rose to €32m.

The inclusion of Editeco sa in the consolidation led to financial assets being shifted to various items in the consolidated balance sheet, mainly goodwill, cash and the other elements of working capital.

Tangible fixed assets rose sharply, mainly as a result of the initial investments in the new Eco Print Center nv. These produced an investment balance of nearly €29m, which was €20m higher than the level in recent years.

Stock fell for the second year running, but remained at quite a high level. 95% of stock consists of film rights in the audiovisual business.

The cash flow table reveals a sharp improvement in cash flow from operating activities, amounting to nearly €55m last year. This operating cash flow received an extra boost in 2004 from the variation in the working capital requirement in particular.

As was the case the previous year, over €30m of funds generated in this way were invested. Whereas the main focus of investment in 2003 was in group expansion (Het Parool bv, Editeco sa), investments last year went into tangible assets (EPC nv).

Financing activities (loan repayments, dividends) absorbed the remaining cash flow, so that the final free cash flow at the end of 2004 came to a negative total of €2.3m.

Report of the Board of Directors

on the 2004 Consolidated Annual Accounts

Dear Shareholder, In accordance with the provisions of the Royal Decree of 30 January 2001 in implementation of Article 119 of the Belgian Company Code, we have the honour of reporting to you on the consolidated annual accounts of De Persgroep for the year ending 31 December 2004.

The group recorded a substantial 15% increase in operating income. Apart from the impact of Editeco's inclusion in the sphere of consolidation, this growth was primarily organic, and lay in both the group's publishing activities and its audiovisual business.

Last year saw further extensive investment in product innovation, including the launch of new magazines and a TV programming overhaul. Despite this, our results improved once again, with operating cashflow rising a further 5% above 2003's record result. Due to higher depreciation and provisions, the operating profit fell 1.5%. Thanks to the improved financial results and a substantially improved result from the use of the equity method, the final consolidated profit was up 15.5% at €27.6m.

In accordance with Article 119 of the Company Code, the Board confirms that no additional information needs to be provided with regard to circumstances which might have a substantial impact on the progress of the consolidated entity. The Board likewise confirms that there have been no significant post-balance-sheet events.

In accordance with the provisions of Article 96,8° of the Company Code, we wish to report that the subsidiaries Aurex nv and VMMa nv have covered, respectively, their interest and exchange rate risks using interest rate swaps and forward contracts.

We therefore submit the consolidated accounts of De Persgroep for your approval.

Kobbegem, 18 March 2005,

On behalf of the Board,



Christophe Convent,
General Secretary



Christian Van Thillo,
Managing Director

Corporate governance

With due allowance for its individual qualities as a media group, De Persgroep has been paying special heed for a number of years now to corporate governance requirements. By applying clear operating and audit rules, De Persgroep aims to ensure maximum transparency for all the group's stakeholders.

The brunt of the responsibility for corporate governance lies with the Board of Directors, of course. In 1995, the first non-executive director was appointed: Ludwig Criel, a member of the Management Committee of the shipping group CMB. In 2000, the Board was reinforced with two additional non-executive directors: the former European Commissioner Karel Van Miert and Léon Seynave, managing director of the Mitiska Group. Finally, 2003 saw the appointment to a directorship of Eric Verbeeck, managing director of Kairos NV.

The Board of Directors of De Persgroep now has four non-executive directors out of a total of seven. The chairmanship has been assigned to the longest-serving non-executive director, Ludwig Criel.

The Board of Directors is responsible for the group's general strategy, approves the operating and investment budgets every year, supervises financial matters and decides on any acquisitions. The Board meets at least four times a year according to a fixed schedule, and whenever the group's interests so require at other times. Although the articles of association state that, in principle, the Board's decisions are taken by majority vote, in practice they are arrived at by consensus.

Two special committees have been established within the Board:

- firstly, the Remuneration Committee, which assesses the group's policy with regard to the remuneration of its top directors and executives; this consists of Ludwig Criel, Karel Van Miert and Christian Van Thillo.
- secondly, the Audit Committee, which monitors the drawing up of the accounts and the internal and external audit procedures; this consists of Emmanuel Van Thillo, Léon Seynave and Christophe Convent.

The operational management of De Persgroep is looked after by the Group Committee, which is responsible for the execution of the group strategy and the monitoring of the various business units subsumed within the subsidiaries of De Persgroep. The Group Committee meets every month, and consists of eleven people: the two executive directors and nine executives from the main subsidiaries.

Under the Group Committee there is a Core Committee, which meets every month and consists of Christian Van Thillo, Christophe Convent, Koen Clement and Piet Vroman

Responsibility for auditing the group's companies has been entrusted to PriceWaterhouseCoopers c.v., represented by Eddy Dams. To ensure that the auditors are able to perform their task as effectively as possible, it is De Persgroep's fixed policy to assign audit responsibility to the same auditors in all fully consolidated group companies.

Statutory auditor's report

on the consolidated financial statements for the year ended 31 december 2004
to the shareholders' meeting of the company De Persgroep nv

In accordance with legal and regulatory requirements, we are pleased to report to you on the performance of the audit mandate, which you have entrusted to us.

We have audited the consolidated financial statements as of and for the year ended 31 December 2004, which have been prepared under the responsibility of the board of directors and which show a balance sheet total of k€ 300.527 and a consolidated profit for the year of k€ 27,565. We have also examined the directors' report.

Unqualified audit opinion on the consolidated financial statements, with an emphasis of matter paragraph

We conducted our audit in accordance with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable to consolidated financial statements in Belgium.

In accordance with those standards, we considered the group's administrative and accounting organization, as well as its internal control procedures. We have obtained all explanations and information required for our audit. We examined, on a test basis, evidence supporting the amounts in the consolidated financial statements. We assessed the accounting principles used, the basis of consolidation and significant estimates made by the enterprise, as well as the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements present fairly the company's net worth and consolidated financial position as of 31 December 2004 and the consolidated results of its operations for the year then ended, in accordance with the applicable legal and regulatory requirements in Belgium and the information given in the notes to the consolidated financial statements is properly presented.

We draw your attention to note XV.C. to the financial statements indicating the fact that the consolidated company Vlaamse Media Maatschappij N.V. is currently involved in several significant lawsuits. The final outcome of these lawsuits as well as their possible impact on the accompanying consolidated financial statements cannot be determined yet.

Other certification

We supplement our report with the following certification, which does not modify our audit opinion on the consolidated financial statements:

- The consolidated directors' report contains the information required by law and is consistent with the consolidated financial statements.

12 April 2005

The statutory auditor
PricewaterhouseCoopers Reviseurs d'Entreprises / Bedrijfsrevisoren
Represented by



Eddy Dams
Bedrijfsrevisor

Consolidated balance sheet *de Persgroep* - Assets

in 000 €	2004	2003
Fixed assets	109.793	97.593
II Intangible fixed assets	2.748	530
III Consolidation differences	41.815	35.591
IV Tangible fixed assets	60.467	43.359
A Land and buildings	32.240	27.071
B Plant, machinery and equipment	9.001	10.472
C Furniture and vehicles	4.923	3.854
D Leasing and other similar rights	1.202	1.756
E Other tangible assets	142	206
F Assets under construction and advance payments	12.959	
V Financial fixed assets	4.763	18.113
A Companies accounted for using the equity method	3.310	2.974
1. Participating interests	3.310	2.974
B Other enterprises	1.453	15.139
1. Participating interests and shares	1.337	15.038
2. Amounts receivable	116	101
Current assets	190.734	150.541
VI Amounts receivable after one year	2.321	1.645
B Other amounts receivable	2.321	1.645
VII Stocks and contracts in progress	39.306	42.637
A Stocks	39.306	42.637
VIII Amounts receivable within one year	113.416	90.555
A Trade debtors	98.374	78.687
B Other amounts receivable	15.042	11.868
IX Investments	12.569	10.859
B Other investments and deposits	12.569	10.859
X Cash at bank and in hand	19.554	3.712
XI Deferred charges and accrued income	3.568	1.133
Total Assets	300.527	248.134

Consolidated balance sheet *de Persgroep* - Liabilities

in 000 €	2004	2003
Capital and reserves	125.043	106.059
I Capital	16.475	16.475
IV Consolidated reserves	104.550	85.237
V Consolidation differences	2.844	2.844
VII Investment grants	1.174	1.503
Minority intrests	1.828	
VIII Minority intrests	1.828	
Provisions, deferred taxes and potential tax liabilities	17.889	11.651
IX A Provisions for liabilities and charges	17.214	10.821
1. Pensions and similar obligations	5.801	5.483
2. Taxation	118	5
3. Major repairs and maintenance	1.666	1.399
4. Other liabilities and charges	9.629	3.934
IX B Deferred taxes and potential tax liabilities	675	830
Amounts payable	155.767	130.424
X Amounts payable after one year	7.867	13.880
A Financial debts	7.499	13.275
3. Leasing and other similar obligations	1.082	1.961
4. Credit institutions	6.245	11.142
5. Other loans	172	172
B Trade debts	368	605
1. Suppliers	368	605
XI Amounts payable within one year	130.579	102.309
A Current portion of amounts payable after one year	5.813	5.846
B Financial debts	200	9.255
1. Credit institutions		9.055
2. Other loans	200	200
C Trade debts	83.044	54.827
1. Suppliers	83.044	54.827
E Amounts payable in respect of taxes, remuneration and social security	27.071	23.170
1. Taxes	4.286	3.180
2. Remuneration and social security	22.785	19.990
F Other amounts payable	14.451	9.211
XII Accrued charges and deferred income	17.321	14.235
Total Liabilities	300.527	248.134

Income Statement *de Persgroep*

in 000 €

	2004	2003
I Operating income	384.067	334.286
A Turnover	364.612	321.689
D Other operating income	19.455	12.597
II Operating charges	(337.282)	(286.820)
A Raw materials, consumables and goods for resale	118.789	100.221
1. Purchases	115.695	96.640
2. Increase (-); Decrease (+) in stocks	3.094	3.581
B Services and other goods	130.034	110.253
C Remuneration, social security costs and pensions	73.528	65.913
D Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	11.028	9.104
E Increase (-); Decrease (+) in amounts written off stocks, contracts in progress and trade debtors	199	345
F Provisions for liabilities and charges	1.136	(493)
G Other operating charges	2.568	1.477
III Operating profit	46.785	47.466
IV Financial income	2.913	2.641
A Income from financial fixed assets	188	
B Income from current assets	518	327
C Other financial income	2.207	2.314
V Financial charges	(5.155)	(6.944)
A Interest and other debt charges	787	1.249
B Amounts written off positive consolidation differences	4.173	3.350
C Increase (-); Decrease (+) in amounts written off current assets other than those mentioned under II.E	36	(5)
D Other financial charges	159	2.350
VI Profit on ordinary activities before taxes	44.543	43.163
VII Extraordinary income	143	148
E Gain on disposal of fixed assets	130	141
F Other extraordinary income	13	7
VIII Extraordinary charges	(114)	(14)
D Provisions for extraordinary liabilities and charges	110	
E Loss on disposal of fixed assets		
F Other extraordinary charges	4	14
IX Profit for the period before taxes	44.572	43.297
X A Transfer from deferred tax and potential tax liabilities	341	295
XI Income taxes	(17.210)	(16.300)
A Income taxes	(17.232)	(16.535)
B Adjustment of income taxes and write-back of tax provisions	22	235
XII Profit for the period	27.703	27.292
XIII Share in the result of companies accounted for using the equity method	(138)	(3.422)
A Profits	615	319
B Losses	(753)	(3.741)
XIV Consolidated profit	27.565	23.870
A Minority interests		
B Group share	27.565	23.870

Cash Flow Statement *de Persgroep*

in 000 €

	2004	2003
1. Operating activities		
Operating profit (loss) of consolidated enterprises	46.784	47.466
Amounts written off intangible and tangible fixed assets	11.028	9.104
Allocations to (write-backs of) provisions	1.335	(148)
Operating cash flow	59.147	56.422
Changes in amounts receivable (increase - / decrease +)	(18.204)	(15.837)
Changes in stocks (increase - / decrease +)	3.374	3.827
Changes in operating debts (increase + / decrease -)	24.649	3.315
Changes in accruals and deferrals (increase + / decrease -)	877	2.002
Variation in working capital requirement	10.696	(6.693)
Financial income received	2.913	2.641
Financial charges paid	(982)	(3.594)
Extraordinary results	29	134
Taxes	(16.869)	(16.005)
Financial and extraordinary charges and income and taxes	(14.909)	(16.824)
Cash flow from operating activities after taxes	54.934	32.905
2. Investment activities		
Net investments in financial fixed assets and equity-accounted result	(4.235)	(19.205)
Net investments in tangible fixed assets	(28.811)	(12.679)
Cash flow from investment activities	(33.046)	(31.884)
3. Financing activities		
Long-term drawdowns on borrowed capital	0	13.500
Repayments of borrowed capital	(15.193)	(11.878)
Changes in short-term debts	0	0
Dividend paid	(9.000)	(7.500)
Repayment of capital	0	0
Cash flow from financing activities	(24.193)	(5.878)
Net cash flow	(2.305)	(4.857)
Cash and cash equivalents at end of preceding period	14.571	19.428
Cash and cash equivalents at end of current period	32.123	14.571
Change	17.552	(4.857)
Changes due to the extension of the sphere of consolidation	(19.857)	0
Net changes	(2.305)	(4.857)

Notes to the consolidated annual accounts

1. List of the consolidated subsidiary companies*

	% of capital held	Change as compared to preceding period
Aurex nv Brusselsesteenweg 347 1730 Kobbegem BE 403.506.340	100,00	0,00
Eco Print Center nv Brusselsesteenweg 347 1730 Kobbegem BE 869.559.963	100,00	100,00
Magnet Regie nv Brusselsesteenweg 347 1730 Kobbegem BE 403.533.064	100,00	0,00
Magnet Magazines nv Brandekensweg 2 2627 Schelle BE 422.811.320	100,00	0,00
Uitgeverij De Morgen nv Arduinkaai 29 1000 Brussels BE 430.281.013	100,00	0,00

2. List of proportionally consolidated enterprises

	% of capital held	Change as compared to preceding period
Antwerpse Televisiemaatschappij nv Rijnkaai 104 2000 Antwerp I BE 448.844.140	50,00	0,00
Vlaamse Media Maatschappij nv Medialaan 1 1800 Vilvoorde BE 432.306.234	50,00	0,00
Paratel nv Medialaan 1 1800 Vilvoorde BE 452.588.043	50,00	0,00
De Bièvre nv Bredabaan 358 2930 Brasschaat BE 421.666.225	50,00	0,00
P & P Media nv Generaal Dumonceaulaan 56 1190 Vorst BE 474.745.021	50,00	0,00
Editeco nv Birminghamstraat 131 1070 Anderlecht BE 417.533.134	49,27	0,22

3. List of associated companies

accounted for using the equity method

	% of capital held	Change as compared to preceding period
Full Page cvba Waelhemstraat 68 bus 15 1030 Brussels BE 448.115.155	33,33	0,00
Plopsaland nv De Pannelaan 68 8660 Adinkerke BE 466.400.051	25,00	0,00
Mediargus nv Pelletierstraat 8 1030 Schaarbeek BE 466.787.259	28,56	0,00
Vacature cvba Pontbeekstraat 4 Bus 5 1702 Groot-Bijgaarden BE 457.366.183	33,33	0,00
Vlaamse Dagbladders cvba Paepsemiaan 22 Bus 7 1070 Anderlecht BE 465.907.925	25,00	0,00
Reprocopy cvba Paepsemiaan 22 Bus 7 1070 Anderlecht	28,57	0,00
Regionale TV Media nv Research Park - De Haak 1731 Zellik BE 448.708.637	33,33	0,00
Sherpa.be nv Den Doornlaan 34 1180 Brussels 18 BE 459.784.453	33,33	0,00
Het Parool bv Czaar Peterstraat 213 NL-1018 PL Amsterdam Nederland	58,43	13,35
Jobs & Careers cvba Koningstraat 120 1702 Groot-Bijgaarden BE 860.375.251	21,66	0

* and companies included using the equity method

Valuation rules

A Assets

1. Formation expenses

Formation expenses are charged to the income statement in full in the year in which they are incurred.

Restructuring costs are capitalised only in the case of well-defined costs relating to major changes in the structure or organisation of the enterprises, and when this expenditure has a positive and lasting impact on the profitability of the enterprises. Restructuring costs are amortised by the straight-line method over 5 years.

2. Intangible fixed assets

Intangible fixed assets are recorded at their acquisition value. Titles are not recorded, except when purchased from third parties. Research and development costs and goodwill purchased within the group are charged in full to operating earnings. Intangible fixed assets are amortised by the straight-method at a rate of 10% a year. Goodwill can be retained on the balance sheet only when a return is expected from the underlying activities.

3. Consolidation differences

Consolidation goodwill consists of both positive differences arising on full consolidations and of positive differences arising where companies are consolidated by the equity method. Positive consolidation differences are amortised on a straight-line basis at either 20% or 5% a year depending on the sector in which the participation is situated.

4. Tangible fixed assets

Tangible fixed assets are recorded at their acquisition cost, i.e. their purchase price (including ancillary costs), their production cost or their contribution value.

The following depreciation percentages are applied:

- Land: 0 %
- Buildings: 5% straight-line
- Fittings in buildings: 10 % straight-line
- Usufruct: straight-line during the term of the contract
- Presses and peripherals:
 - Prepress: 15% declining balance
 - Presses: 7.5% straight-line / 10% straight-line / 10% declining balance
- Accessory equipment: 10% declining balance / 20% declining balance
- Plant, machinery and equipment:
 - Equipment and tools: 10% or 20% straight-line / 10% declining balance
 - Computer equipment: 33.33 % straight-line
 - Other installations: 15% declining balance
 - Fittings in leased buildings: 20 % straight-line
- Promotional material: 33.33 % straight-line
- Vehicles: 25% or 20% straight-line
- Office furniture and materials: 10% or 20% straight-line / 10% declining balance
- Advance payments on fixed assets and assets under construction: The above depreciation methods and percentages are applied according to the type of assets in question.

5. Financial fixed assets

Unconsolidated participating interests are recorded at acquisition cost or at a lower value when the condition of these enterprises requires such reduction in value. Receivables and guarantees are recorded at nominal value. Reductions in value are applied where repayment of either all or part of the amount is uncertain.

6. Stocks

Raw materials and consumables are recorded at the weighted average cost price. Goods purchased for resale are recorded at acquisition or production cost. A reduction in value is taken where the market value is lower at the balance sheet closing date.

7. Amounts receivable

Amounts receivable are recorded in the balance sheet at their nominal value. Reductions in value are applied where uncertainly exists with regard to the repayment of all or part of a receivable at due date. Foreign currency receivables are converted into euros at the rate prevailing on the balance sheet closing date.

8. Investments

Short-term investments are recorded at their nominal value. Accounts denominated in foreign currencies are converted into euros at the rate prevailing on the balance sheet closing date.

9. Cash at bank and in hand

Cash at bank and in hand is recorded at its nominal value. Accounts denominated in foreign currencies are converted into euros at the rate prevailing on the balance sheet closing date.

B Liabilities

1. Investment grants

Investment grants are recorded in the balance sheet at their nominal value at the time of granting by the authorised body. They are recognised as financial income pro rata to the charging of depreciation on the tangible fixed assets to which they refer.

2. Amounts payable

Amounts payable are recorded in the balance sheet at their nominal value. Foreign currency payables are converted into euros at the rate prevailing on the balance sheet closing date.

3. Costs of major and minor maintenance and repair work

Minor maintenance and repairs are charged in the financial year in which they are carried out. Every year a provision is charged to operating income to cover major repair and maintenance work.

4. Pension commitments

Pension commitments are provided for on the basis of the projected unit credit method.

Notes to the consolidated annual accounts

VI B Future taxation and deferred taxes

(in 000 €)

Analysis of caption 168 of Liabilities	675
Deferred taxes	675

VII Statement of formation expenses

(in 000 €)

Movements of the period:

new expenses incurred	36
depreciation	(36)

VIII Statement of intangible assets

(in 000 €)

	Concessions, patents licenses, etc	Goodwill
Acquisition cost		
As at end of preceding period	5.674	401
Movements during the period		
Acquisitions, including fixed assets, own production	1.260	1.544
Sales and disposals		
Transfers from one heading to another		
Other movements	526	244
At end of period	7.460	2.189
Depreciation and amounts written down		
As at the end of the previous period	5.247	298
Movements during the period		
Recorded	380	256
Acquisitions from third parties	476	244
Written down after sales and disposals		
Transfers from one heading to another		
Other movements		
At end of period	6.103	798
Net carrying value at end of period	1.357	1.391

IX Statement of tangible fixed assets

(in 000 €)	Land and buildings	Plant, machinery and equipment	Furniture and vehicals	Leasing and other similar rights	Other tangible assets	Assets under construction and advance payments
Acquisition cost						
At end of preceding period	49.474	104.669	19.478	9.231	800	
Movements during the period						
Acquisitions, including fixed assets, own construction	8.618	2.240	2.806	75	34	12.959
Sales and disposals	(380)	(876)	(202)			
Transfers from one heading to another						
Other movements	(372)	2812	1.180			
At end of the period	57.340	108.845	23.262	9.306	834	12.959
Depreciation and amounts written down						
As at the end of preceding period	22.403	94.197	15.624	7.475	594	
Movements during the period						
Recorded	2.922	4.764	2.080	602	98	
Acquisitions from third parties		1.692	832	27		
Written down after sales and disposals	(166)	(869)	(197)			
Transfers from one heading to another						
Other movements	(59)	59				
At end of the period	25.100	99.843	18.339	8.104	692	0
Net carrying value at end of the period	32.240	9.002	4.923	1.202	142	12.959
of which: land and buildings				1.202		

Notes to the consolidated annual accounts

x Financial fixed assets

(in 000 €)	Enterprises accounted for using the equity method	Other enterprises
1. Participating interests		
Acquisition cost		
As at the end of the preceding period	2.974	15.038
Movements during the period		
Acquisitions		1.356
Sales and disposals	(279)	
Transfers from one heading to another		(14.960)
At the end of the period	2.695	1.434
Amounts written down		
As at the end of the preceding period		
Acquisitions from third parties		97
At the end of the period	0	97
Movements in the capital and reserves of the enterprises accounted for using the equity method		
Share in the result for the financial period	615	
Other movements in capital and reserves	(138)	
	753	
Net carrying value at the end of the period	3.310	1.337

2. Amounts receivable

Net carrying value at end of preceding period	101
Movements during the period	
Additions	17
Reimbursements	(2)
Net carrying value at the end of the period	116

xI Statement of consolidated reserves

Consolidated reserves at the end of the previous financial period	85.237
Movements	
- shares of the group in the consolidated income	27.565
- dividend to be distributed	(10.000)
- extension to sphere of consolidation	1.748
Consolidated reserves at the end of the period	104.550

XII Statement of Consolidation differences and differences resulting from the application of the equity method

(in 000 €)	Consolidation differences		Differences resulting from the application of the equity method	
	positive	negative	positive	negative
Net carrying value at the end of the preceding period	35.591	2.820		24
Movements during the period				
- arising from an increase in the percentage held	10.397			
- arising from a decrease in the percentage held				
Write-downs	(4.173)			
Other modifications				
Net carrying value at the end of the period	41.815	2.820		24

XIII Statement of Amounts payable

(in 000 €)

A Analysis of the amounts originally payable after one year according to their residual term

	Amounts payable with a residual term of		
	not more than 1 year	between 1 and 5 years	more than 5 years
3. Leasing and other similar obligations	927	1.082	0
4. Credit institutions	4.886	6.245	0
5. Other loans	0	0	172
Financial debts	5.813	7.327	172
Trade debts		368	
Total	5.813	7.695	172

B Amounts payable, or the portion thereof, which are secured by in rem guarantees given or irrevocably promised on the assets of consolidated enterprises

Financial debts	13.011
3. Leasing and other similar obligations	2.010
4. Credit institutions	11.001
Trade debts	0
Total	13.011

Notes to the consolidated annual accounts

XIV Average headcount (units) and personnel expenses (in 000 €)		
	2004	2003
B.1 Consolidated enterprise and fully consolidated enterprises		
B11 Average number of persons employed	841	788
Workers	123	118
Employees	705	657
Management personnel	12	12
Other persons	1	1
B12 Personnel charges		
Remuneration and social charges	52.347	49.089
Pensions	245	452
B13 Average number of persons employed in Belgium by enterprises concerned	841	788
B.2 Proportionally consolidated enterprises		
B21 Average number of persons employed	328	259
Workers		
Employees	319	253
Management personnel	9	6
Other persons		
B22 Personnel charges		
Remuneration and social charges	20.934	16.372
Pensions	2	
B23 Average number of persons employed in Belgium by enterprises concerned	328	259

xv Rights and commitments not reflected in the balance sheet

c Significant pending litigation and other significant commitments

Major pending disputes

Vlaamse Media Maatschappij nv (De Persgroep share)

During an audit of the consolidated company Vlaamse Media Maatschappij nv, the Belgian Social Security authorities made additional assessments with respect to the years 1993 to 1999 inclusive of k€ 11.184. The company disputes these assessments but, as a prudential measure, has booked a cost of k€ 3.145 to the income statement. The remaining k€ 8.040 has been recorded under other amounts receivable on the Assets side of the balance sheet.

The Board of Directors is not in a position to assess the potential financial impact of the further Social Security audit, or the potential impact of the claim submitted by another commercial television station.

The Board of Directors believes a supplier claim of k€ 2.180 to be groundless, and has not made any provision for it.

Magnet Magazines nv

The consolidated company, Magnet Magazines nv, is involved in a dispute brought against it by its former Editor in Chief.. Magnet Magazines' position in this matter was largely upheld by an arbitration decision of 14 February 2002. However, this decision was overturned by a court order of 23 September 2003 on the basis that the grounds stated in the judgment were inadequate. To date, the arbitration procedure is still running. However, the Board of Directors believes that no additional provision is required in relation to this dispute.

Other significant commitments

Vlaamse Media Maatschappij nv (De Persgroep share):

Commitments totalling k€ 39.750. Including contracted broadcasting royalties of k€ 36.079.

Aurex nv

2005 - 2007 obligation to purchase totalling k€ 14.990.

Note on the presentation of capital

As presented in the consolidated annual accounts, the capital (k€ 16.475) does not correspond to the amount included in the statutory annual accounts of De Persgroep nv (k€ 190.000).

This difference is due to the following: in 1999, the company acquired a number of consolidated participating interests by means of contribution in kind at their economic value as estimated at that time, as a result of which its capital was increased by k€ 173.525.

However, in order to present the consolidated figures in a continuous, transparent fashion, and to prevent 'internal' goodwill being created in the consolidation at company level, both the capital and the participating interests acquired in 1999 have been reduced to their historic value.

d Commitments with respect to retirement and survivors' pensions in favour of personnel or executives, at the expense of the enterprises included in the consolidation.

Members of staff and executives have the benefit of a supplementary pension and, in the event of their decease after retirement age, a supplementary survivors' pension. These are fully covered by collective insurance arrangements entered into with an insurance provider which is recognised in Belgium for this kind of business.

xvi Relationships with affiliated enterprises and enterprises linked by participating interests but not included in the consolidation

5 Personal and real guarantees given or irrevocably promised, as security of debts or promised, as security of debts or commitments of affiliated enterprises

Period	Preceding period
k€ 2.275	k€ 3.500

Colophon

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