

**TMG**  
ANNUAL REPORT  
**09**

telegraaf media groep



TELEGRAAF MEDIA GROEP

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This annual report is a translation of the original text in Dutch, which is the official version.  
In case of any discrepancies the Dutch version will prevail.

The annual report is available in the English language  
via: [www.tmg.nl](http://www.tmg.nl)

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# TMG Annual Report 2009



TELEGRAAF MEDIA GROEP



# Contents

6	FOREWORD BY THE EXECUTIVE BOARD	34	CORPORATE GOVERNANCE
9	REPORT FROM THE SUPERVISORY BOARD	37	SUSTAINABILITY REPORT
10	MEMBERS OF THE EXECUTIVE AND SUPERVISORY BOARD	41	FINANCIAL STATEMENTS
11	CONSOLIDATED KEY FIGURES	43	Consolidated Financial Statements
12	CONSOLIDATED INFORMATION	47	Notes to the Consolidated Financial Statements
12	12 Financial Performance	87	Company Financial Statements
16	16 Corporate Affairs	91	Notes to the Company Financial Statements
19	TELEGRAAF MEDIA NEDERLAND	97	OTHER INFORMATION
19	19 National Dailies (paid)	97	Subsequent Events
21	21 National Dailies (free)	97	Auditors' Report
22	22 Regional Dailies	98	Provision in the Articles of Association concerning the appropriation of profit
22	22 Free Local Papers	99	Stichting Preferente Aandelen Telegraaf Media Groep N.V. and Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V.
23	23 Magazines	100	Stichting Administratiekantoor van Aandelen Telegraaf Media Groep N.V.
23	23 Digital Media		
25	SKY RADIO GROUP	103	ABOUT TMG
26	KEESING MEDIA GROUP	103	Profile
27	OTHER ACTIVITIES AND OPERATING COMPANIES	104	Core Values, Mission
28	PARTICIPATING INTERESTS	105	Vision and Ambition, Objectives and Strategy
29	RISK MANAGEMENT	106	Organisational Structure
33	STATEMENT OF RESPONSIBILITY	107	Key Figures
		108	Products and Activities

# Foreword by the Executive Board

## FOREWORD BY THE CHAIRMAN OF THE BOARD

**When, in August 2008, we announced a € 40 - € 50 million cost-cutting programme to improve returns, nobody could have imagined just how grave the effects of the looming credit crunch would be. Almost eighteen months on, those effects are all too apparent. In 2009, the Dutch economy contracted more sharply than ever before. As this annual report shows, this recession took a heavy toll on our revenues, too. The fact that, ultimately, our operating result held relatively firm has everything to do with our rigorous focus on implementing the announced cost-cutting programme.**

Eighteen months ago, we stated our intention to markedly increase TMG's recurring EBITA margin in the first three years from a level of just over 7% in 2007 to – eventually – a level of 15%. This ambition assumed normal economic conditions, maintaining and expanding our market leadership and, at the same time, achieving greater efficiency and synergy in existing activities. Especially our digital activities were expected to show growth, both organic and acquisition-driven.

### WHERE DO WE STAND?

Given the close correlation between TMG's revenues and the Dutch economy, it will come as no surprise that we did not achieve our projected percentage growth in the EBITA margin in 2009, despite having done a great deal to improve it. Nonetheless, we are steadfast in our goal of achieving a 15% margin. To achieve this, we are reliant not only on further growth in digital activities, but also on economic recovery.

In the meantime, we have adjusted our portfolio. Unprofitable or insufficiently profitable activities have been sold or terminated. This has included selling part of the Dutch magazine portfolio and the narrowcasting activities, as well as the activities in Sweden and the Ukraine, and closing a number of distribution centres. We have undertaken some radical restructuring, which has entailed altering processes, combining activities and outsourcing a number of non-core activities, such as fleet management, security and catering. These measures have resulted in substantial cost savings and a decrease in the number of full-time jobs from 3,678 on the reference date at the end of June 2008, to 2,808 at the end of December 2009, which equates on balance to a decrease of over 800 FTE. To some extent, employees remained employed with vendors who won our outsourcing contracts, but, for a significant part, it involved compulsory redundancies. This is a necessary process which, from a human perspective, we deeply regret. We hope that everyone affected has now made a fresh start, or will do so in the near future.

All in all, together we managed to significantly and structurally reduce our costs. We would therefore like to thank everyone involved – the Central Works Council, local Works Councils, management and employees – for showing the cooperation and dedication required in order to achieve this. We are ahead of schedule as regards the cost-cutting programme. There is more on this subject elsewhere in this report, but we are pleased to say that the measures to improve our result are bearing fruit.

In operational terms, advertising revenues suffered the greatest decline. This situation was not unique to TMG in 2009, but was typical of all media companies in the Netherlands and across media types. The exception has been the advertising market for digital products, which has recorded small gains, as have circulation revenues.

For the next year, we are expecting a similar picture for circulation and digital activities, and a further decline in advertising income.

In terms of market positioning, the market shares of TMG's three media companies Telegraaf Media Nederland, Sky Radio Group and Keesing Media Group have remained unchanged, by and large, and have in fact grown in a number of cases. We are talking here about a wide range of market shares including advertising volume, single copy sales, listening data, and paid circulation, which illustrates the breadth and, thereby the strength of the portfolio.

**Due to our rigorous focus on cost savings, maintaining and expanding market shares of existing products and measures to boost cooperation and achieve synergies, there were no notable acquisitions in the digital sphere in 2009. Organic growth was achieved in various areas, including digital activities such as internet, mobile internet and gaming. We also made progress towards a segment strategy for the markets for cars, women, travel, finance and recruiting.**

To sum up, in 2009 we adjusted the portfolio, maintained or improved market positions, made progress ahead of schedule with our cost-cutting programme and completed the outsourcing of non-core activities. However, despite the cost cuts, falls in revenue prevented us from improving the margin.

As the decline in revenue exceeded the reduction in costs, additional measures were taken at the end of 2009, which included the discontinuation of the Sunday paper of De Telegraaf and tackling excessive salaries.

# Foreword by the Executive Board

Our plans to distribute newspapers jointly with fellow publishers in the Netherlands will yield significant benefits. This project is receiving the attention commensurate with the importance of home delivery in the Netherlands, but is complex in its consequences.

## TMG'S MEDIA COMPANIES AND PARTICIPATING INTERESTS

Before concluding, I would like to discuss a couple of other issues. Some major changes have taken place at Telegraaf Media Nederland in terms of processes and activities, which have resulted in more cooperation and greater unity and synergy. Synergies are also being realised in regard to revenues and the various publishers are working on cross-media propositions and multimedia reach packages. Keesing Media Group's results proved remarkably resilient in 2009 - which proves that advertising markets were worse-hit than the consumer markets. Sky Radio Group had to contend with falls in advertising income in line with the overall market. The decision by the Dutch government to renew the FM licences for six years subject to certain conditions is very significant for the radio group's position in the longer term, ensuring as it does that plans for the future of radio, and digital radio in particular, can proceed with confidence.

TMG's most important participating interest by far is the 6% stake in ProSiebenSat.1 Media AG (12% of the ordinary voting shares). In 2009, ProSiebenSat.1 Media AG (ProSiebenSat.1) held its ground exceptionally well on the international viewers' and advertisers' market. Thanks in part to structural substantial cost cuts, the operating result (recurring EBITDA) increased. As a consequence our expectation regarding ProSiebenSat.1s' future cash flows has been positively adjusted. Therefore at year-end 2009 TMG revalued this interest upwards to € 10.42 per ordinary voting share.

In March 2009, the market price of the preference share in ProSiebenSat.1 dipped to an all-time low of less than € 1, but has now climbed back up to over € 10. Television, including the parallel trend towards the internet, is and will remain a key phenomenon in the media landscape and, by extension, for TMG.

## CORPORATE RESPONSIBILITY

The importance of Corporate Responsibility grows every day. Sustainability also features more prominently on TMG's agenda, with due regard for its economic, social and environmental aspects. As well as complying with laws and regulations in this area, TMG will be taking further-reaching measures to improve the sustainability of its business and its operations. In addition to cost savings and realising "new revenues", this will yield, both directly and indirectly, a form of value creation.

## PUBLIC BROADCASTING: A RISK

Economies of scale and broadening of the portfolio are the best guarantees for the plurality of the press. Dutch regulations have, however, forced us to sell interests in newspapers and denied us any significant involvement in commercial television. Each year, public broadcasting costs the Dutch government in excess of € 800 million. That money is used by public broadcasters to provide radio and television programmes and, nowadays, for extensive involvement in the internet and mobile internet. On the internet, they are in direct competition with commercial market players for the share in time and money of consumers and advertisers. Frequently, public broadcasters are competing in a manner which other parties cannot afford and, in a number of cases, also leave no scope for initiatives by other players. This situation creates an unfair competitive environment. TMG is in favour of a public broadcasting system, but it must be a system with clearly defined tasks and commensurate funding. We are therefore calling on the Dutch government - despite the recent collapse of the government - to create a fair competitive environment with all due haste. And by "haste", we mean making changes that as basic premises form part of a new government policy accord and will take effect this year or next, rather than sometime after 2016, as the government is currently mooting. If fundamental changes are not made, public broadcasting will threaten the plurality of reporting.

## IN CONCLUSION

TMG is almost debt-free and occupies leading positions with big brands in a number of relevant markets. Over the coming months, we will continue to focus on achieving synergy, economies of scale, digitalisation and the strengthening of market shares for existing products, while of course remaining alert to potential acquisitions which would further consolidate our position.

We are occupied with the changing media landscape and the future in many different ways, ranging from the exploitation of content on e-readers to the opportunities for new advertising billing models in the print and digital spheres. Print products remain very important for our profitability, and the attention we

# Foreword by the Executive Board

pay to them reflects this. We are investing in these products too, and are updating, improving as well as optimising them. Our print products will deliver outstanding returns for many years to come. And especially in a declining market a major publisher of print products such as TMG is able to win market share and to realise proper financial margins.

All of which means we must invest in tandem with unpopular internal measures. In the right balance, this is the best guarantee for all stakeholders of a successful future for TMG. The biggest challenge facing us is to migrate to more digital revenues and profits, without losing sight of the profitability of print products.

In conclusion, I would like to remember Mr L.G. van Aken, who passed away in April 2009. Mr van Aken was a member of the Supervisory Board of TMG, chairman of the Telegraaf Pension Fund Trust and a former fellow director and former member of the TMG Priority Share Management Trust. Mr van Aken was greatly valued by TMG.

**On behalf of the Executive Board**

A.J. Swartjes, Chairman

# Report by the Supervisory Board

**We hereby present the report, the balance sheet as at 31 December 2009 and the income statement for 2009 with explanatory notes, as compiled by the Executive Board. The financial statements have been audited and approved by KPMG Accountants N.V. in Amsterdam, as stated in the auditor's report included in this report.**

The Supervisory Board discussed the financial statements with the auditor at the annual meeting, after which we signed the financial statements to comply with the Board's legal obligation pursuant to Article 2:101 Paragraph 2 of the Dutch Civil Code. The Supervisory Board met with the Executive Board seven times during the past year. Topics such as strategy, the internal risk management and control system and financial matters were addressed.

On 6 April 2009, our colleague Mr L.G. van Aken passed away. It was always a pleasure working with our esteemed colleague and we will miss his knowledge of the company, as well as his broad financial expertise. It is our intention to appoint a new member in the Supervisory Board and as a consequence a proposal will be made public today.

During the year under review, particular attention was devoted to cost savings, including the progress of the restructuring and the outsourcing of activities, the strategy and the portfolio adjustments, including acquisitions and divestments.

In our capacity as audit committee, we held four meetings with the CFO of the Executive Board and the Head of Group Internal Audit. The subjects discussed included the internal risk management and control system and its implementation, the status of operational and strategic risk management, the 2009 audit findings and the plans for 2010. We consulted with the external auditor on two occasions. The audit report concerning the 2008 financial statements was discussed with the auditor in March 2009 and the 2009 management letter was discussed in October of the same year.

During the year under review, in the absence of Executive Board members, we discussed the performance of the Supervisory Board and its members, the possible filling of the vacancy on our Board and the qualifications desired according to the revised job profile.

Also in the absence of Executive Board members, we discussed the composition and performance of the Executive Board, our relationship with the Executive Board and the planned succession of the current CEO in 2011.

We established the remuneration of the Executive Board based on our remuneration policy.

The results achieved in 2009 do not lead to a bonus pay-out on the basis of the joint targets. Although there would be scope to award a bonus on the basis of the personal targets, in light of the company's current situation and the external economic situation in 2009 and further to a proposal by the Executive Board, it has been decided not to pay any variable bonus for 2009.

It has also been decided, further to a proposal by the Executive Board, not to increase the Executive Board's individual basic salaries for 2010 and not to apply indexation of those salaries. The remuneration of individual members of the Executive Board is recorded in the 2009 annual report on page 91.

The Executive Board's remuneration policy is accessible on the TMG website.

Two of our members took part in consultation meetings with the Central Works Council during the year under review, and informal consultation took place with the executive committee of the Central Works Council.

We would like to express our gratitude to the Executive Board and employees for the manner in which, and dedication with which they fulfilled their duties in 2009.

## **WE PROPOSE TO THE SHAREHOLDERS:**

1. The 2009 financial statements be approved as set out in the documents presented.
2. The Executive Board be granted discharge for the policies pursued in 2009.
3. The members of the Supervisory Board be granted discharge for the supervision conducted in 2009.
4. A cash dividend be adopted of  $\square$  0.35 per share of  $\square$  0.25 nominal value for the 2009 financial year (2008: cash dividend of  $\square$  0.35 per share of  $\square$  0.25 nominal value).

The dividend will be made available for payment on 29 April 2010 at Kas Bank N.V. in Amsterdam.

Amsterdam, 11 March 2010.

## **On behalf of the Supervisory Board**

A.J. van Puijenbroek, Chairman

# Members of the Executive Board and Supervisory Board

## EXECUTIVE BOARD

### **DRS. A.J.SWARTJES (1949), CEO**

Mr A.J. Swartjes is Chief Executive Officer since 1 January 2005. From 1991 until 2005 he was a holding company director. This form of management ceased to exist in 2005. He joined the Telegraaf Groep in 1978, and has held various positions since that time. From 1974 to 1978 he worked at Reader's Digest and Colgate/Palmolive. Mr Swartjes studied Economics at Erasmus University Rotterdam.

### **DRS. F.TH.J. ARP RA (1954), CFO**

Mr F.Th.J. Arp is Chief Financial Officer since 1 January 2005. Mr Arp was holding company director from 1 July 1997 to January 2005. From 1991 until 30 June 1997 he was a partner in the Deloitte & Touche Registered Accountants firm. Before that, he worked in the firm's accounting practice. Mr Arp studied Business Economics and Accountancy at Erasmus University Rotterdam.

### **P. MORLEY MSC (1956), COO**

Mr P. Morley is Chief Operating Officer since 1 December 2007. Before, he was CEO at Wolters Kluwer Nederland. Previously, Mr. Morley was CTO and member of the Executive Board of KPN and COO at Telfort. He studied mathematics and electrical engineering at Trinity College Dublin.

## SUPERVISORY BOARD

### **A.J. VAN PUIJENBROEK (1947), CHAIRMAN**

Mr. Van Puijenbroek is a Dutch national and is director of N.V. Exploitatie Maatschappij van Puijenbroek. As ancillary position he is member of the supervisory board of B.V. Textiefabrieken H. van Puijenbroek. His first appointment as supervisory board member of TMG dates from 15 May 1975. His current term is from 2007 – 2011.

### **PROF. DR. W. VAN VOORDEN (1942), VICE CHAIRMAN**

Mr. Van Voorden is a Dutch national and is former Chairman of the Supervisory Board for Health Care Insurance (CTZ) and professor emeritus at Erasmus Universiteit Rotterdam and University of Tilburg. Mr. Van Voorden is chairman of the supervisory board of Panteia B.V., chairman of the Stichting Administratiekantoor Ballast Nedam N.V. and former chairman of the supervisory board of Batenburg Beheer N.V. His first appointment as supervisory board member of TMG dates from 4 June 1997. His current term is from 2009 – 2013.

### **JR. H.L. WEENEN (1944), SECRETARY**

Mr. Weenen is a Dutch national and his first appointment as supervisory board member of TMG dates from 26 June 1980. His current term is from 2008 – 2012.

### **MRS. JR. M. TIEMSTRA (1954)**

Mrs. Tiemstra is a Dutch national and is CEO of Arbo Unie. As ancillary position she is member of the supervisory board of Aon Groep Nederland bv. Her first appointment as supervisory board member of TMG dates from 5 June 2003. Her current term is from 2007 – 2011.

### **DRS. J.G. DRECHSEL (1955)**

Mr. Drechsel is a Dutch national and is CEO of BCD Holdings N.V. As ancillary positions he is member of the supervisory board of TRX Inc. and Eneco Holding N.V. His first appointment as supervisory board member of TMG dates from 26 september 2007. His current term is from 2007 – 2011.

# Consolidated Key figures

<i>In thousands of euros</i>	<u>2009</u>	2008
Revenues	<b>611,840</b>	680.896
Operating result	<b>-2,870</b>	-37,329
Financial income and expenses	<b>62,738</b>	-314,362
<b>Result before tax - continued operations</b>	<b>59,868</b>	-351,691
Income tax	<b>907</b>	-10,287
Result discontinued operations, net of tax	<b>10,365</b>	-19,361
<b>Net result of the year</b>	<b>69,326</b>	-360,765
Minority interest	<b>-1,179</b>	-777
<b>Result attributable to shareholders of Telegraaf Media Groep N.V.</b>	<b>70,505</b>	-359,988
<b>Proposed result appropriation</b> (not included in the financial statements)		
Released/Deducted from reserves	<b>53,792</b>	-376,701
Dividend payment	<b>16,713</b>	16,713
Pay-out ratio	<b>23.7%</b>	p.m.
Cash flow from operating activities	<b>49,252</b>	64,962
<b>Per share in €</b>		
Result	<b>1.48</b>	-7.49
Cash flow from operating activities	<b>1.03</b>	1.35
Dividend	<b>0.35</b>	0.35
Employees (FTE) at year end - continuing operations	<b>2,808</b>	3,259

The 2009 and 2008 annual figures have been prepared in accordance with the IFRS guidelines applicable in 2009. The consolidated overview of realised and unrealised results is presented on the basis of continued operations.

In the second half of 2008, TMG decided to sell or cease insufficiently profitable activities and non-core activities. The result from operations already discontinued or held for discontinuation has been presented separately for both 2009 and 2008.

The operations concerned are the publishing houses in Sweden and the Ukraine and, in the Netherlands, several magazine titles owned by the Telegraaf Tijdschriften Groep, the narrowcasting activities of Media Librium and Carp's print operations.

At the end of 2009, TMG decided to sell Keesing Reference Systems, a provider of solutions for checking ID documents, among other things. This sale went through at the start of 2010 and, consequently, the result from this activity is also included in the separately-presented results from discontinued operations.

# Consolidated information

## FINANCIAL PERFORMANCE

### RESULTS

- **Affected by the crisis, the recurring EBITA result declined from □ 62.0 million in 2008 to □ 49.6 million in 2009, while the EBITA margin declined from 9.1% to 8.1%. The cost-cutting programme embarked upon did not entirely offset the decline in advertising income.**
- **Revenues, including other operating income, declined by € 70.0 million, due chiefly to lower advertising revenue affecting both the newspaper and radio activities, and the cessation of insufficiently profitable printing and distribution orders. Circulation income posted a limited rise. Compared with last year, internet revenues (including casual games) rose by 0.6% to □ 36.3 million. We maintained or further expanded market shares across the board in 2009.**
- **In 2009, we continued with the cost-cutting and FTE reduction programme launched in 2008, and a large proportion of the decline in revenues was consequently offset by cost savings. Including a reduction of approximately □ 47 million in restructuring expenses, operating expenses declined by □ 104.5 million. The number of FTE at the recurring activities declined on balance by 451 in 2009, to 2,808 at year-end.**
- **The net result of € 69.3 million includes a € 56 million revaluation of the interest in ProSiebenSat.1 Media AG.**

As previously mentioned, the cost savings were not enough to offset the decline in revenues. The **operating result** was negative □ 2.9 million in 2009, but improved by □ 34.4 million compared with 2008 thanks to lower restructuring expenses (2008: □ 37.3 million negative).

**Net profit** of □ 69.3 million was realised in 2009, compared with a net loss of □ 360.8 million in 2008. The net result for 2009 includes a □ 56 million revaluation of the interest in ProSiebenSat.1 Media AG. The loss for 2008 includes impairment on the participating interests in ProSiebenSat.1 Media AG and Expomedia totalling □ 324 million. In addition, a provision of more than □ 52 million was made for restructuring.

### (NORMALISED) EBITA

<i>In thousands of euros</i>	2009	2008
Revenues	611,840	680,896
Other operating income	2,902	3,868
Raw and auxiliary materials	-52,556	-56,831
Personnel costs	-228,646	-305,141
Other operating costs	-274,301	-290,018
Depreciation	-15,916	-21,288
<b>EBITA</b>	<b>43,323</b>	<b>11,486</b>
<b>Normalisations</b>		
Restructuring costs	5,385	52,293
Other	927	-1,759
<b>Total normalisations</b>	<b>6,312</b>	<b>50,534</b>
<b>Normalised EBITA<sup>1)</sup></b>	<b>49,635</b>	<b>62,020</b>
Amortisation	-37,560	-38,545
Impairment loss intangible assets	-8,633	-10,270
<b>Operational result</b>	<b>-2,870</b>	<b>-37,329</b>

**Revenues** declined on balance by □ 69.1 million, to □ 611.8 million (2008: □ 680.9 million). All sources of income were under severe pressure, except for circulation revenues, which rose by □ 4.8 million due primarily to higher revenues at Keesing Media Group and higher prices for subscriptions and single copy sales of daily newspapers. Circulation was slightly lower than in 2008 for most print titles.

Advertising income in the national brands and services and personnel segments and from classified ads was under severe pressure due to the economic conditions and price pressure in an intensely competitive media market. Revenues from print and distribution activities for third parties declined by □ 17.9 million in 2009, as a result of the cessation of insufficiently profitable contracts.

A cost-cutting programme was launched in 2008. Including □ 47 million lower restructuring costs **operating expenses** were reduced by □ 104.5 million. The costs of raw and auxiliary materials declined by □ 4.3 million, due to reduced paper consumption.

**Personnel costs** fell by □ 76.5 million compared with 2008. Reported restructuring expenses were □ 46.9 million lower in 2009 compared with 2008. The FTE reduction programme already had some impact in 2009, resulting in a decrease of □ 29.6 million in expenditure on own and temporary personnel. The decrease in personnel costs as a result of personnel reductions was partially negated by increases under the collective labour agreement (CAO) (an average of 2.75% as at 1 July 2009). Consultation with the trade unions regarding the

# Consolidated information

postponement or abandonment of this increase due to the economic malaise proved fruitless.

**Depreciation** declined by  $\square$  5.4 million, due primarily to a sale and lease back transaction in respect of the car fleet and the cessation of depreciation on several business premises that are classified as "held for sale".

**Amortisation** totalled  $\square$  37.6 million in 2009 (2008:  $\square$  38.5 million). Whilst there were no acquisitions in 2009, additional payments were made in respect of acquisitions from prior years. In addition, as a result of the economic situation, impairments totalling  $\square$  8.6 million were recognised with regard to the goodwill on the operations of Weekbladen Groep Midden Nederland B.V., Nobiles B.V., 402EVENTS.COM B.V. and Bohil Media B.V. (2008:  $\square$  10.3 million).

Other **operating expenses** are down  $\square$  15.7 million compared with 2008, due specifically to lower distribution costs in connection with the cessation of transport operations in Heerlen and Horst and the further centralisation of the other transport operations.

The result from **associates** totalled  $\square$  63.8 million in 2009, and primarily comprises the revaluation of the interest in ProSiebenSat.1 Media AG (ProSiebenSat.1) of  $\square$  56 million due to structural improvements in anticipated future cash flows and the result for 2009 of  $\square$  8.7 million (2008:  $\square$  10.2 million negative) off the 6% economic interest in ProSiebenSat.1. In 2008, there was an impairment on the interest in ProSiebenSat.1 of  $\square$  99.8 million and the investment in Expomedia Group Plc. was written off in the amount of  $\square$  18.7 million.

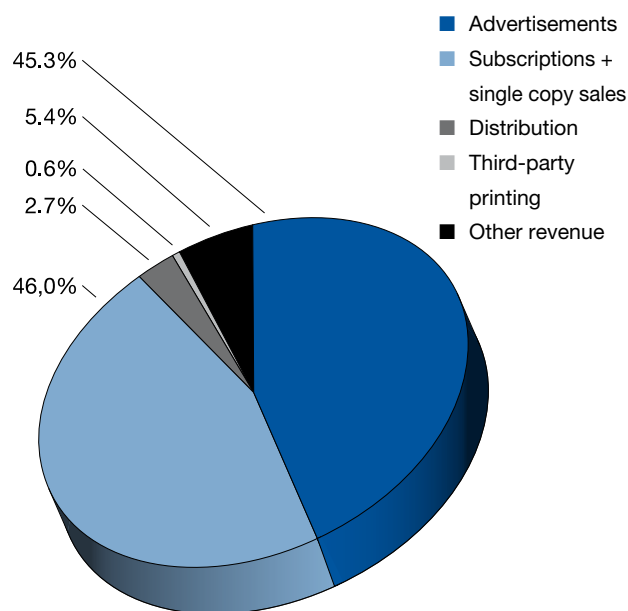
**Financial income** declined from  $\square$  15.6 million in 2008 to  $\square$  0.7 million in 2009. Until the purchase of the interest in ProSiebenSat.1 Media AG in September 2008, the proceeds from the sale of SBS in 2007 were invested in a term deposit and yielded more than  $\square$  13.3 million.

In 2008, **financial expenses** also included an impairment on the ProSiebenSat.1 Media AG put option of  $\square$  195.0 million, until 25 September 2008.

**Corporate Income Tax** on continued operations amounted to  $\square$  0.9 million in 2009, whereas in 2008 there was a tax credit on continued operations of  $\square$  10.3 million. The effective tax burden in 2009 was 1.5% compared with 2.9% in 2008.

The **net cash flow** for 2009 came to  $\square$  22.2 million positive. The net cash flow from operational activities came to  $\square$  49.3 million positive, mainly due to the positive result before depreciation, amortisation, impairments and impairment reversals. This was countered by expenditure of  $\square$  25.8 million on redundancy payments due to the FTE reduction programme and other non-regular employee benefits. The negative cash flow from financing activities totalled  $\square$  29.7 million due to dividend payments of  $\square$  16.7 million and the repayment of long-term liabilities, including the annual FM-licence payments by Sky Radio Group. In 2008, the net cash flow was negatively impacted by the investment of  $\square$  377.1 million in the associated company ProSiebenSat.1.

## REVENUES



Revenues declined by  $\square$  69.1 million in 2009, from  $\square$  680.9 million in 2008 to  $\square$  611.8 million in 2009, having been affected by the poor economic conditions. Advertising income declined by  $\square$  54.4 million, this equates to a decline of 16.4%. Revenues from paid circulation rose by  $\square$  4.8 million, thanks primarily to higher subscription rates. Insufficiently profitable print and distribution contracts were terminated in 2009, causing revenues in these operational activities to decline by  $\square$  17.9 million.

Of total revenues,  $\square$  36.8 million (6.0%) were realised abroad. In 2008, revenues abroad totalled  $\square$  36.7 million. It should be noted that the foreign operations of the branches in Sweden, the Ukraine and Keesing Reference Systems are classified as terminated.

# Consolidated information

REVENUE PER EMPLOYEE <sup>1</sup>			
	TMG revenue (x € 1 million)	Average number fte	Average revenue per employee (x €1,000)
2005 <sup>**/**/****</sup>	736.7	4,317	171
2006 <sup>**/**</sup>	678.1	3,826	177
2007 <sup>***</sup>	700.1	3,353	209
2008	680.9	3,284	207
<b>2009</b>	<b>611.8</b>	<b>2,988</b>	<b>205</b>

<sup>1</sup> Effect of temporary employees is not included in these figures. In 2009 this item declined with € 9.6 million compared to 2008.

\* Including Limburg activities  
 \*\* Including discontinued operations 2008  
 \*\*\* Including discontinued operations 2009

Revenues have decreased over the last two years predominantly due to the general economic climate and the discontinuation of a number of operations. Revenues per employee declined from □ 207,000 in 2008 to □ 205,000 in 2009.

SEGMENT REVENUE				
x € 1 million	2009		2008	
<b>Telegraaf Media Nederland</b>				
Daily newspapers	<b>279.1</b>	<b>45.6%</b>	304.5	44.7%
Regional newspapers	<b>95.7</b>	<b>15.6%</b>	104.4	15.3%
Free local papers	<b>53.1</b>	<b>8.7%</b>	57.1	8.4%
Magazines	<b>26.2</b>	<b>4.3%</b>	29.7	4.4%
Internet	<b>32.0</b>	<b>5.2%</b>	32.9	4.8%
Other	<b>9.9</b>	<b>1.7%</b>	10.6	1.6%
	<b>496.0</b>	<b>81.1%</b>	539.2	79.2%
<b>Keesing Media Group</b>				
Puzzle magazines	<b>45.1</b>	<b>7.4%</b>	44.0	6.5%
Gaming	<b>3.4</b>	<b>0.5%</b>	2.3	0.3%
	<b>48.5</b>	<b>7.9%</b>	46.3	6.8%
<b>Sky Radio Group</b>				
Radio	<b>40.8</b>	<b>6.7%</b>	50.0	7.3%
Internet	<b>0.9</b>	<b>0.1%</b>	0.9	0.2%
	<b>41.7</b>	<b>6.8%</b>	50.9	7.5%
<b>Other activities</b>				
Distribution	<b>16.6</b>	<b>2.8%</b>	31.9	4.7%
Print third-party	<b>3.6</b>	<b>0.6%</b>	6.2	0.9%
Other activities	<b>5.4</b>	<b>0.8%</b>	6.4	0.9%
	<b>25.6</b>	<b>4.2%</b>	44.5	6.5%
<b>Total</b>	<b>611.8</b>	<b>100.0%</b>	680.9	100.0%

As regards the trend in revenues at the media companies, revenues at Telegraaf Media Nederland and Sky Radio Group declined by 8.0% and 18.2% respectively, due primarily to lower advertising revenues. In contrast, Keesing Media Group's revenues rose by □ 2.2 million, thanks primarily to more effective distribution of the puzzle activities in France.

Other revenues declined by □ 1.6 million (4.5%), due amongst other things to lower SMS income. Income from digital activities rose by 0.6% to □ 36.3 million.

## SHAREHOLDERS' EQUITY

At year-end 2009, shareholders' equity attributable to TMG's shareholders had risen to □ 466.0 million compared with □ 411.6 million at year-end 2008. Realised and unrealised net results attributable to shareholders of TMG for 2009 totalled □ 71.1 million, whilst dividends totalling □ 16.7 million were paid for 2008. Equity per share totalled □ 9.76 at year-end 2009, compared with □ 8.62 at year-end 2008. The dividend to be paid for 2009 is not yet reflected in the shareholders' equity as at 31 December 2009.

## SHARES

During 2007 and 2008, TMG purchased 2,250,000 shares and depositary receipts for shares, for a total amount of □ 53.2 million. In 2009, these shares were withdrawn. The nominal portion of □ 0.6 million has been deducted from the share capital and the remainder of □ 52.6 has been charged to retained profits.

There are 47,750,000 ordinary shares and 960 priority shares of □ 0.25 nominal value. Of the ordinary shares, 29,056,337 had been converted into depositary receipts as at 31 December 2009, amounting to 60.9% (year-end 2008: 63.4%).

## INVESTMENTS

The total net amount invested in 2008 was □ 417.8 million, whereas in 2009, on balance, the sum of □ 2.6 million was disposed of. This relates both to investments in property, plant and equipment, and intangible assets, including additional payments of □ 3.1 million on acquisitions from previous financial years. A total of □ 2.0 million was received in respect of divested business operations. Disposals, including the sale of the car fleet, yielded proceeds of □ 14.8 million. In 2008, the investment total primarily consisted of □ 377.1 million for the purchase of the interest in the associated company ProSiebenSat.1 Media AG. In addition, □ 39 million was invested in acquiring new business operations in 2008. With the aim of consolidating its leadership in a changing market, TMG investigates increasing the full color printing capacity of its Amsterdam facilities to add more flexibility to its printing capabilities. Such investment is expected to commence in 2010 at a cost of approximately □ 15 million.

# Consolidated information

## DIVIDEND POLICY

The dividend is normally set within a range of 15% to 30% of the cash flow, with cash flow being defined as the sum of net result and depreciation, adjusted for the effects of revaluation and impairment included in the net result for the year.

Despite the negative operating result (EBIT), but in view of the positive operational cash flow and TMG's debt-free position, a cash dividend of □ 0.35 per share is proposed. On a total of 47,750,000 outstanding shares and depositary receipts for shares, this equates to a payout of □ 16.7 million. The dividend for 2008 was □ 0.35 per share.

## OUTLOOK

As announced in the press release issued further to the New Year's speech, no predictions will be made regarding the result for 2010. The main reason for this is the ongoing uncertainty with regard to economic developments – a situation compounded by the collapse of the cabinet.

The following factors will affect the operating result in 2010:

- Positive influence:
  - o continued effect of the cost measures implemented in 2009;
  - o outsourcing of activities;
  - o discontinuation of De Telegraaf on Sunday;
  - o expected growth in revenues from circulation and digital activities;
  - o expected decline in the price of paper, influenced by developments on the paper market.
- Negative influence:
  - o expected further decline in revenues from advertisements, despite the positive effect of the Winter Olympics and the FIFA World Cup;
  - o effect of increases pursuant to the collective labour agreement;
  - o effect of inflation.

The share in the result of ProSiebenSat.1 Media AG in particular will also impact on the **net** result in 2010 and a tax gain regarding the expected liquidation of Expomedia Group Plc.

The first two months of 2010 have exhibited a 8% decline in advertising revenues across TMG compared with the same period in 2009. The trend in the operating result (EBITA) is positive.

# Consolidated information

## CORPORATE AFFAIRS

### HUMAN RESOURCE MANAGEMENT (HRM)

**The restructuring announced in 2008 with a view to structural cost reductions was largely completed in 2009. The recession that unexpectedly hit, reinforced the need to further reduce personnel costs. At the same time, however, we recognised the importance of continuing to invest in employees.**

HRM's major projects over the last year were overseeing the restructuring processes, developing a job structure and, at a later stage, addressing the issue of excessive salaries, introducing performance management throughout TMG, the creation of a new Social Plan and setting up an HR Shared Service Center.

#### Employment

Employment declined at TMG in 2009, as a result of restructuring processes, the cessation and sale of activities and the outsourcing of non-core activities.

The restructuring entails a company-wide reduction of almost 500 FTE (excluding DistriQ Transport), to be realised in the period 2008-2010. In 2008, there was a reduction of more than 130 FTE, followed by 364 FTE in 2009. In addition, the number of FTE at DistriQ Transport has been reduced by around 100. The programme will be concluded in 2010.

#### Job structure, salaries and excessive pay

The job structure project made marked progress in 2009 and, among other things, involves adequate job descriptions for the purposes of performance management, recruitment and selection and a balanced wage structure (equal pay for equal work). Many job descriptions have been updated and reviewed to ensure salary scales are accurate.

In spring, discussions took place with trade unions at sector level regarding a different interpretation or different effective date for the increases pursuant to the collective labour agreement (CAO) in accordance with the current Grafimedia CAO (2.75% with effect from 1 July 2009). Although these discussions did not result in the postponement or abandonment of the increases, they did provide an opportunity to reach local-level agreements on excessive salaries. TMG held consultations on this matter with the Central Works Council (CWC), resulting, in December 2009, in an agreement in principle. This agreement sets out the manner in which salaries that exceed the maximum level under the salary scale by more than 10% will be handled. For the time being, the agreement relates only to employees covered by the Grafimedia CAO, senior staff and employees not covered by a CAO. Its effects

will only become apparent in the longer term, as the excessive portion of salary will be reduced by not paying future increases under the CAO up to 2.5% per annum. In 2010, agreements will also be reached for other employees with excessive salaries.

#### Terms and conditions of employment

In March 2009, the trade unions and TMG reached a final agreement on the Social Plan for 2009-2010. The Plan is designed to promote the "work-to-work" principle. If a redundant employee chooses outplacement, he will be allocated a budget to finance the extension of his employment relationship. For the duration of this extension, he will receive outplacement support to find him another job. The maximum outplacement period has been reduced from 24 to 12 months.

At the end of 2009, negotiations were initiated regarding a number of CAOs to be concluded, with the emphasis from the employer's perspective on not allowing salary scales to rise ("income freeze").

Preparations have also been made for removing the administrative daily newspaper staff from the Grafimedia CAO.

#### Investing in employees

In 2009, a performance management system was introduced, consisting of annual planning, progress and appraisal meetings between employees and their managers. This system will make it easier to monitor and adjust the quality of employees, as well as being a means of influencing their employability and, therefore, mobility.

The Basic Management Training has been continued, to improve the quality of middle management.

A "TAG" team has been trained, a team of account managers who specialise in giving advice for all media types on complex marketing communication issues, media strategy and campaign development for advertisers.

Work has been done with groups of employees whose job may be under threat in the long term, to enhance their employability by, among other things, offering them the option of training that is not related to their current job.

#### Other developments

During the course of 2009, TMG prepared itself for the possible consequences of the new Influenza A ("Swine flu"). In the end, the flu did not cause a noticeable increase in employees calling in sick.

Absenteeism due to illness rose to 4.6% in 2009 (2008: 4.4%).

# Consolidated information

## PROCUREMENT AND FACILITIES MANAGEMENT

**In 2009, Corporate Procurement and the internal Facilities Department were merged to form a Shared Service Centre.**

Control over total procurement costs, involvement in “make or buy” decisions, the exploitation of synergy between operating companies and increasing the added value of suppliers’ services have all made a tangible positive contribution to the operating result. Some examples of this are the introduction of online ordering and invoicing solutions, supervision of procurement projects and outsourcing a number of activities, including the car fleet, in-house catering, mailroom operations, security, formatting and printed matter. In addition, central purchasing of the editorial services of freelancers has been set up.

## EMPLOYEE PARTICIPATION

**The future welfare and wellbeing of employees are of paramount importance to the Central Works Council (CWC). This leads to sometimes painful choices. The media sector is under pressure, and the situation has been compounded by the economic crisis. As a result, the Executive Board made a number of proposals for reducing costs at TMG. The CWC realises that costs must be cut to ensure the continuity of the business, as a stable business benefits both employer and employees in the future. The CWC constantly balances the interests at stake: how crucial is cost-cutting for TMG and what are the implications of the measures for employees?**

The restructuring plan announced was drastic, entailing a reduction of almost five hundred full-time jobs (excluding DistriQ Transport). While recognising the need to adapt the organisation’s structure and size, the CWC insists on there being an approved and signed social plan in place for the duration of the restructuring process, before it will give any further opinions on the various sub-plans. The CWC also advises the Executive Board to develop sound plans for providing employees with the broadest possible training, to strengthen their position on the internal and external job market.

The CWC was asked to handle many requests for opinions on the merging of departments in 2009. It concerned among other things the financial administration, HRM and the restructuring of staff departments. The CWC has always thoroughly appraised the implications of these mergers for staff. It is all for efficiency, but not at the expense of greater pressure of work for employees.

The CWC endorsed the absenteeism and reintegration policy, which gives managers a bigger role. However, it did insist on the swift formation of a good appeals committee.

In the summer, the CWC received a proposal for eliminating excessive salaries at TMG, where a large number of salaries are well above the maximum scale under the collective labour agreement (CAO). The CWC felt this was a matter for the trade unions, until news was received that exemption has been granted and the unions did not wish to enter into the consultation process. Consequently, the CWC gained the authority to negotiate and, in light of TMG’s financial situation, the CWC decided - after long deliberation - to negotiate with the employer. In December, an agreement in principle was reached on this matter. For the CWC, the most important outcome of the negotiation was the acceptance of excessive salaries up to 110 percent, which effectively halves the number of people previously considered to be earning excessive salaries.

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# Consolidated information

The last few months of 2009 were dominated by the issue of excessive salaries. The agreement will be implemented as from April 2010.

The CWC's committee regularly consulted with the managing director of Telegraaf Media Nederland. One important issue was the reversal of the previous separation between digital and print, on which the committee took a positive view. It also agreed with the sale of Media Librium and the contribution of Brixter.nl to a joint venture with JAAP.NL. The committee takes the view that a spotlight on the quest for portfolio renewal is important.

Against the backdrop of so many savings, the CWC feels it is vital that new initiatives are developed. At times like this, it is particularly important for employees to hear some positive news.

# Telegraaf Media Nederland

## TELEGRAAF MEDIA NEDERLAND

**As a media platform operator, Telegraaf Media Nederland (TMnl) is involved in creating, gathering, selecting and profitably exploiting information and entertainment (infotainment).**

Its policy is to increase market share by proactively following and expanding the share of consumers' media time spent, and the media spend of consumers and companies.

Both nationally and regionally/locally, TMnl focuses on important consumer interests, such as general and financial news, sport, cars, travel, careers, relationships, homes, sustainability and entertainment.

Advertisers are offered opportunities to communicate with broad or specific target groups, through one or several media types.

2009 was an eventful year for the media and, by extension, Telegraaf Media Nederland. The economic crisis caused an unprecedented drop in revenues, while at the same time the competitive environment changed considerably, partly as a result of mergers and takeovers in the media market and partly because of the increased budgets allocated to public broadcasting services, enabling them to compete more intensely for the media time of consumers.

Revenues from print products declined markedly compared with the previous year, while revenues from digital products showed a limited increase.

The decline in revenues is due predominantly to the decline in advertising revenue from printed products, as well as changes to the product portfolio.

Subscription revenue was marginally higher, thanks to price increases.

Even prior to 2009, TMnl embarked upon a succession of changes to its structure, modus operandi and portfolio. As a consequence of this, a structural reduction in costs was achieved in 2009 by reducing headcount and centralising various activities. The termination and sale of unprofitable or insufficiently profitable activities also contributed to the improved returns. Several magazine titles and the narrowcasting activities were sold, the printed form of Carp\* was discontinued and Brixter.nl was integrated into JAAP.NL.

2009 witnessed a major organisational change at TMnl, when the organisational separation between print and digital was replaced by a structure designed to create a distinction between national versus regional/local, with the instrumental

segments within that structure. Digital activities were combined with business units with which they have a direct relationship either by brand or otherwise. These changes have increased cooperation and resulted in the formation of clusters for the recruitment, car, entertainment and women's markets, amongst others. Cooperation on both the editorial and commercial front has paved the way for optimisation, while also enabling TMnl to respond more swiftly to changes in the market. This cluster or segment approach will be further extended over the coming year. In tandem with the implementation of product adjustments and the quest for acquisitions.

To stimulate organic growth in digital activities without a direct brand relationship with the print titles, these are now directly steered by the management of TMnl or TMG.

In the Gooi area of the Netherlands, a form of cooperation has been realised between regional dailies and free local papers. Joint editorial teams and joint sales teams produce and sell the titles at both regional and local level. The experiences gained have laid the groundwork for the further expansion of this approach in other areas.

At the end of September, TMnl and Sky Radio Group launched their explosive "Mega Bereiksbom Actie", a mega-reach promotion. Advertisers who took advantage of this unique offer reached six million readers, five million listeners and almost one million internet users in just a few days. In this way, TMnl is successfully capitalising on the breadth and diversity of its portfolio.

## NATIONAL DAILY NEWSPAPERS

**In the consumer market, the Dutch daily newspapers are represented by products that are different in nature, scope and publication frequency, and are segmented by region and by whether they are free of charge or not. The Dutch circulation market in 2009 (fourth quarter 2008 to third quarter 2009) consisted of 5 million copies per day compared with over 5.4 million in 2008. The decline was due mainly to the discontinuation of the free daily newspaper DAG at the end of 2008 and the considerably lower circulation of De Pers.**

Nowadays, the performance of the Dutch daily newspapers is assessed not only on the basis of movements in the circulation of paper products, but also on the basis of the trend in digital forms of publication. In 2009, 6.8 million people a month (2008: 6.1 million), or approximately half the Dutch population aged 13

# Telegraaf Media Nederland

and over, visited one of the websites of the daily newspapers. On average, they visited one or more of these sites 21 times (2008: 17) per month.

Within the Dutch net advertising market as a whole, the portion relating to daily newspapers amounted to € 815 million in 2008 (2007: € 865 million). A decline of almost 23% is projected for 2009, to € 628 million.

## National dailies (paid)

The overall circulation of paid Dutch daily newspapers in 2009 (fourth quarter 2008 to third quarter 2009) declined by 3.0%, to 3.5 million copies per day (2008: 2.2% decline to 3.6 million copies). The portion of the circulation distributed abroad declined by 5.5% to almost 35,000 copies per day (previous year decline of 5.3% to 37,000 copies).

The composition of the circulation is as follows: subscriptions 91% (2008: 91%), single copy sales 7.0% (2008: 7.5%) and the remainder through other forms of distribution.

The circulation of paid national daily newspapers declined by 3.2% (2008: -1.8%), while the circulation of regional daily newspapers declined by 2.7% (2008: 2.6%).

The total advertising volume of paid daily newspapers declined by 9% in 2009 (2008: -2%). These figures exclude the Sunday papers. The categories brands and services and family announcements remained on a par with the previous year. The categories personnel and classified ads declined by 44% and 24% respectively. The national daily newspapers performed worse on the advertising market than the regional dailies. The volume of the paid national dailies declined by 16%, while regional dailies lost 7% in volume. The advertising volume of the free daily newspapers declined by 21%, primarily due to a decline in the recruitment market

## UITGEVERSMATSCHAPPIJ DE TELEGRAAF

The recurring operating result of the Uitgeversmaatschappij De Telegraaf declined significantly in comparison to 2008. The recession strongly impacted advertising revenue, while circulation revenue rose modestly due to price increases. The cost reductions partially compensated for the decline in revenue.

In 2009, Uitgeversmaatschappij De Telegraaf integrated a number of digital activities into the organisation and the management team was enlarged to include a Features Publisher (responsible for multimedia developments in the segments cars, travel, homes, sailing and boating, and women) and a Digital

Publisher (responsible for the expansion of the digital position of the De Telegraaf on (mobile) internet). The organisational change was implemented to optimise collaboration between print and digital publishing within TMnl. Amongst other achievements, this facilitated collaboration between AutoTelegraaf.nl and the car section of the De Telegraaf newspaper, enabled WUZ.nl and Telegraaf.nl to be integrated, and created synergy between Speurders.nl and Telegraaf.nl, between Bohil Media (boating, motorhomes and caravans) and the Vaarkrant, and between 402EVENTS.COM, Pilarczyk MediaGroep and Video Media.

## Circulation

In 2009, the circulation of the De Telegraaf fell on average by 3.3%, which was partially attributable to the positive effects of sports events on the circulation in the summer of 2008. This resulted in an average circulation (from Monday to Saturday) of 672,459 copies per day in 2009, compared to 695,635 copies per day in 2008. As such, the De Telegraaf followed the circulation trends in the market for paid subscriptions. The De Telegraaf's market share for paid subscriptions remained stable at 19.2% (the fourth quarter of 2008 to the end of the third quarter of 2009).

On 1 October 2009, subscription rates were, on average, raised by 3.8%.

The quality of the delivery of the De Telegraaf improved sharply in 2009. Tackling the areas with major delivery problems has paid off.

Slightly more than five years after its introduction, a decision was taken to end publication of the Sunday edition of the De Telegraaf as of 20 December 2009. Although subscribers value the newspaper highly, the Sunday edition has only had a modest impact on the number of extra readers and advertisers. After initially starting well, the targets, particularly those relating to the advertising market have not been achieved. This latter fact, combined with the relatively high printing and distribution costs, made it impossible for the Sunday paper to be run profitably.

When the Sunday edition ceased to be published, the editorial content was, wherever possible, incorporated into the other editions. Weekend subscribers were given the option of converting their subscriptions to a subscription covering the Friday, Saturday and Monday editions.

The success of the VROUW magazine, which is circulated together with the De Telegraaf, continued to increase in 2009. Compared to 2008, the readership of VROUW rose and more advertisers placed more advertisements in the magazine. The

# Telegraaf Media Nederland

affiliated website is one of the largest women's websites in the Netherlands. Moreover, an increasing number of activities are being organised under the brand name VROUW.

This success led to further revenue increases, despite the recession. Recently, the magazine VROUW was awarded a Mercur for the best reporting series of the year.

The weekly magazine Privé also had a good year. The number of paid subscriptions to Privé fell modestly in 2009 to 208,608 copies per week (the fourth quarter of 2008 to the end of the third quarter of 2009), but the magazine strengthened its position as a market leader. In part, that was attributable to an increase in the single copy sales due to surprising entertainment news and the success of thick summer editions.

The trend confronting Autovisie was less rosy. There was a strong deterioration in the car market in 2009. Advertising budgets were scaled down and mainly used for action related campaigns.

Despite the magazine being restyled, both the circulation and advertising revenues fell slightly compared to last year.

In March, Autovisie launched a new magazine: Autovisie Avanti, about cars in the top segment.

## Advertising

The advertising market was particularly badly hit by the recession. Advertising revenues (continued activities) fell by □ 27 million compared to 2008.

The 12.5% decline in the second half of the year was less significant than in the first half of the year (28.9%). In comparison to 2008, there was a fall in volume as well as further pressure on prices. The decrease in revenues was noticeable in the areas of recruitment advertising, advertisements placed by national brands and services, and the classified ads.

The revenue from digital advertising on Telegraaf.nl continued to grow.

Due in part to the development of customised concepts, multi-media reach packages and cross-media propositions, the market share of the advertising market displayed limited growth. Alternative billing models were successfully developed and put into operation.

**The collaboration with Sp!ts was deepened in 2009. Combined reach propositions were offered in a number of markets. Since February, an eight-page tabloid has been published in combination with Sp!ts in the distribution area Great Amsterdam; this tabloid provides news and information specific to Amsterdam. The exploitation of the tabloids has proved a commercial success.**

## Editorial Board

In 2009, the De Telegraaf frequently positioned itself with exclusive and investigative journalism in the newspaper as well as via Telegraaf.nl. Thorough investigative journalism resulted in high-profile revelations about the operation of the Dutch intelligence service. Great interest was also shown in in-depth reports about, amongst other things, the financial crisis as well as coverage of the world of show business. The latter had particular relevance to the initiative to establish the public service broadcaster WNL.

After the Sunday edition of the De Telegraaf was discontinued in December 2009, the Saturday and Monday editions were renewed and strengthened, as the readers had been promised. This has resulted in the Saturday edition offering more exclusive reporting, as well as the introduction of the De Groene Telegraaf and the full colour tabloid Weekeinde, incorporating the weekly special. While on Mondays, the 24 pages of Telesport in tabloid format have amply filled the need created by the loss of the topical sport pages in the Sunday edition.

## NATIONAL DAILIES (FREE)

**The overall circulation of the free national newspapers in the Netherlands in 2009 (the fourth quarter of 2008 until the end of the third quarter of 2009) was approximately 1.2 million copies (2008: 1.8 million copies). These figures were influenced by the closure of the DAG newspaper in October 2008. In addition, the De Pers newspaper reduced its circulation considerably.**

## BASISMEDIA

In 2009, all the units of BasisMedia were affected by the fall in advertising expenditure. In particular, the crisis in the labour market severely impacted Sp!ts and Nobiles Media (providing multi-media information to students and starters familiarising themselves with educational courses, careers and employers) as well as Info Pinnacle (an online platform which, via Yourfuture.tv, uses film clips to help students, starters and young professionals with educational backgrounds ranging from upper secondary vocational (MBO), to higher vocational (HBO) and university (WO) familiarise themselves with future employers or master degrees); as a consequence of this, the financial result came under sharp pressure.

In 2009, Sp!ts was restructured, and savings were made in both personnel and indirect costs. In addition to cost savings, optimisation processes were implemented in the areas of printing and distribution. Since November 2009, the part of the circulation that was printed externally has been done entirely by

# Telegraaf Media Nederland

our own printers in Amsterdam and Alkmaar. TMG Distributie introduced a new method of distribution in the Randstad, which led to greater optimisation in the way the newspapers are distributed.

By adopting a new approach to advertising sales and collaborating intensively with the De Telegraaf, Splts has been able to increase its market share within the group of advertisers of national brands and services.

Given this combination of sharp cost savings and increased market share, Splts anticipates being in a good starting position to profit optimally as soon as the market starts picking up.

As far as the recruitment market related units Info Pinnacle and Nobiles Media were concerned, the theme for 2009 - in a market that had almost halved - was optimisation, continuation and expansion of market share. Costs were reduced and collaboration emphatically sought with, amongst others, Het Careerevent, which, partly as a consequence of this, retained its leading position.

To make better use of synergy in the advertising market, a decision was taken at the end of 2009 to incorporate the recruitment market activities within the TMnl segment Recruitment market so that these could be positioned in the market collectively. Consequently, the recruitment market related sales and marketing units of the De Telegraaf, Splts, Carp.nl and Vacaturekrant were merged on 1 January 2010.

## REGIONAL DAILIES

**In 2009, the regional dailies also felt the impact of the adverse economic conditions; and the year witnessed a marked decline in the total volume of advertising in regional daily papers in the Netherlands. In addition, prices came under pressure.**

**The overall daily circulation of regional newspapers in the Netherlands in 2009 (the fourth quarter of 2008 until the end of the third quarter of 2009) declined by 2.7% to 1.6 million copies per day.**

### HDC MEDIA

In 2009, HDC Media, the publisher of Noordhollands Dagblad, Haarlems Dagblad, IJmuiders Courant, Leidsch Dagblad, De Gooi- en Eemlander, Almere Vandaag, alphen.cc and the related internet activities, was confronted with a marked decline in revenue. Further reductions in the number of employees and cost savings in several areas ensured there was only a modest decrease in the recurring result.

As a direct consequence of the economic conditions, advertising revenues fell by more than 20%. In the category recruitment advertising, revenues almost halved, while the revenues from the national and regional advertising markets also declined markedly.

Circulation revenues showed a modest increase. The number of paid subscriptions fell by 2.2%, but this was more than compensated for by the increase in the subscription prices. The daily circulation in 2009 (1 October 2008 until 30 September 2009) fell by 2.6%.

HDC Media had some success with products not directly related to the newspapers. Revenues from the book publishing company established in 2008 rose by almost 50%; the loyalty programme "Voordeelbezorger" realised a sharp increase in its return and, in combination with other parties, recurring events have been started such as "Werkgeverscafé" and "Ondernemers2daagse".

In 2009, HDC Media published "Vrij", a new weekly supplement to its daily papers as well as a revamped "Weekend" section. A number of the supplements and special editions published in 2009 also showed a good return.

Regarding employees, the year 2009 witnessed a large-scale restructuring of the Advertising Department. Through enhanced efficiency and better streamlining of the advertising processes, it was possible to reduce the number of employees in the various departments, while simultaneously improving the service to advertisers.

At the end of 2009 a start was made on the project "Jong voor Oud", aimed at lowering the average age of the editorial staff, and ensuring it continues to fall. The target is for an influx around 25 young editorial staff. HDC Media hopes space will be made for these new, younger employees by the voluntary departure of older employees.

At the end of 2009, the editorial collaboration between HDC Media and Holland Combinatie in 't Gooi was nominated for the prize "Samenwerker(s) van het Jaar" (Collaborators of the Year), a competition organised by the regional authority of Gooi en Vechtstreek.

## FREE LOCAL PAPERS

**Within the total Dutch net advertising market, the portion related to free local papers (distributed door-to-door) in 2008 amounted to € 634 million (2007: € 631 million). A fall of 13% to € 549 million is projected for 2009.**

# Telegraaf Media Nederland

## HOLLAND COMBINATIE

In 2009, the advertising volume of the free local papers (distributed door-to-door) declined strongly compared to 2008. Consequently, the revenue was markedly lower than the previous year. Cost reductions could not entirely compensate for the loss of revenue, as a result of which the return was lower.

The loss of revenue was primarily caused by the decline in the recruitment, car and property markets, all affected by the recession.

Last year, Holland Combinatie enlarged its area of distribution by both organic growth and acquisitions. In September 2008, the first edition of De Echo appeared in Rotterdam and, at the same time, free local papers (distributed door-to-door) serving the Rotterdam and Utrecht regions were acquired. Consequently, in three of the four large cities in the Randstad, Holland Combinatie now holds a strong position in the readership and advertising markets. Currently, fierce competition in the Rotterdam region is putting pressure on both prices and volumes.

The weekend publications have started with a new format, and, in this context, Holland Combinatie is collaborating with BasisMedia (Sp!ts) and Uitgeversmaatschappij De Telegraaf (Privé). This is positively influencing the results.

In 2009, in collaboration with other publishers of free local papers (distributed door-to-door), a central sales organisation was established under the name Lokale Media Partners (LMP); this sales organisation is to concentrate on the national advertising market. LMP distinguishes itself by offering media demonstrating local links in respect of both qualitative content (editorial staff) and commercial aspects (advertisers), as well as the distribution area.

Whilst the number of employees covering the new regions increased, the existing number of employees fell significantly, as a result of which the total number of employees has, on balance, been reduced.

In 2010, Holland Combinatie expects to improve its returns through further restructurings and cost reductions. In the areas Rotterdam and Utrecht, the management is being improved by adopting a new approach which is expected to lead to higher revenues.

## MAGAZINES

**The total circulation of general interest magazines in the Netherlands (excluding sponsored magazines and those included with newspapers) amounted to 25.9 million copies**

**(233 titles) in the third quarter of 2009 compared to 25.3 million copies (227 titles) in the same period of 2008.**

**The Dutch advertising market for general interest magazines was valued at € 348 million in 2008, a fall of 2.2% compared to 2007 (€ 356 million). A decrease of approximately 19% to € 280 million is expected for the year 2009.**

## TELEGRAAF TIJDSCHRIFTEN GROEP

The circulation of magazines has been under pressure for years, and the current economic situation has accelerated the decline. As stated in the 2008 annual report, the returns on some of TMnl's magazines were insufficient and there appeared to be no feasible opportunities for growth. Consequently, in 2009, part of the magazine portfolio was sold. Only the titles Privé, Autovisie and VROUW have been retained by TMnl; these titles are after all closely allied with the De Telegraaf newspaper and corresponding market segments and, therefore, make a significant strategic contribution. They are to be included in the specific segment approach adopted by TMnl and have been incorporated in Uitgeversmaatschappij De Telegraaf.

## DIGITAL MEDIA

**In 2008, the Dutch internet advertising market was worth € 794 million (within this market, display ads and classified ads jointly accounted for € 382 million), an increase of almost 9% compared to the figure of € 730 million in 2007 (display ads and classified ads jointly accounted for € 354 million in 2007). A fall of almost 2% to € 779 million is projected for 2009 (display and classified are projected to fall to € 356 million).**

In 2009, the share of internet amounted to 6.4% (€ 32 million) of the revenues of TMnl, compared to 6.1% in 2008 (€ 32.9 million).

Telegraaf.nl's reach continued to increase in 2009. More unique visitors visited the site more frequently and viewed more pages. In 2009, approximately 290 million pages were viewed each month and the number of unique visitors per day regularly exceeded one million. Despite the recession, Telegraaf.nl's advertising revenue also grew. The return on digital media has improved, due to a combination of revenue growth and cost savings.

On the internet, the De Telegraaf has taken up the top spot in the areas of general, financial, entertainment and sports news. The same applies to the segments cars, travel, sailing and boating, and women.

Via a single point of contact, advertisers can make use of the De Telegraaf paper-plus-internet service and reach 4.7 million Dutch people aged 13 and older (source: NOM-STIR fusion file).

# Telegraaf Media Nederland

Mobile internet has been growing dramatically in the Netherlands: currently it is being used by 15% of the Dutch population. Consequently, the De Telegraaf is active in this market, too. Currently, consideration is being given to the possibilities of having consumers pay for content and to the sale of advertising space.

In addition to the mobile site Telegraaf.mobi, the De Telegraaf has, since February 2009, also offered its own application which can be downloaded for mobile telephones. To date, approximately 50,000 telephone owners have made use of this option. At the end of April, it launched its own I-phone application, which, in a very short time, had been installed more than 120,000 times. Partially due to this, the reach of the De Telegraaf on mobile internet has grown to around 450,000 unique visitors and more than 20 million page requests each month.

In October, simultaneously with the launch of Microsoft's new mobile operating system, a new telephone application was launched making use of this system. The De Telegraaf is also preparing to enter the rapidly growing e-reader market.

As a phenomenon e-commerce has been growing strongly and the expectation is that this growth will be maintained in the coming years. In addition, social networking sites are playing an increasingly significant role in the orientation and purchasing processes. TMnl has set up separate web shops to leverage this trend. In this way, direct sales can be achieved on the one hand while, on the other, optimum use can be made of the affiliated networks for indirect sales. Moreover, it offers advertisers the chance of offering products via this platform and settling on the basis of revenue shares. Our own activities within e-commerce are growing steadily and will be expanded even further in the year to come.

Speurders.nl is an attractive service for consumers but has not proved sufficiently successful in serving the markets with (revenue) growth potential. The focus has been placed on men as the target group and, in the context of e-commerce, Speurders.nl is a valuable addition to the whole TMG group.

Organisationally, Speurders.nl and Autotelegraaf.nl were placed under Uitgeversmaatschappij De Telegraaf in 2009 and now form part of the segment approach to the market. The Online Marketing & Sales Department and the Sales Department of the newspaper were integrated.

Vacaturekrant.nl witnessed its revenue fall as a result of the crisis in general and an increase in unemployment in particular. Recently, Vacaturekrant.nl has become a significant part of TMnl's labour market segment.

In 2009 the website Woonkrant.nl was re-launched under the name Brixter.nl. Later in the year, a joint venture was entered into with JAAP.NL, whereby Brixter.nl was integrated into JAAP.NL and TMnl acquired a 50% interest in the whole enterprise. JAAP.NL has compiled as complete as possible a range of relevant information, products and services to offer to both those looking for and those offering properties in the Netherlands.

Datingsite Relatieplanet.nl continues to achieve a high return and stable revenues. With thousands of singles online at any one time, Relatieplanet has easily become the largest and most well-known dating site in the Netherlands and Belgium. This year a mobile application for Relatieplanet was launched and a start made on relationship trade fairs.

GeenStijl.nl presents a mix of news, revelations and investigative journalism. On a daily basis, the editorial board provides information about the other side of the news to more than 120,000 visitors. The site is one of the top 10 most visited current affairs sites in the Netherlands, and the affiliated site Dumpert.nl is the largest video platform in the Netherlands. After years of growth, GeenStijl.nl's advertising revenues fell in 2009 as a consequence of the crisis. The 2009 initiative to launch the public service broadcaster PowNed came from GeenStijl.

WebRegio.nl publishes local and regional news and information from 16 regions in North Holland, South Holland, Flevoland and the province of Utrecht. In 2009, the number of regions was extended and its revenue grew strongly.

In 2010, Holland Combinatie, Webregio Media, HDC Media and Uitgeversmaatschappij De Telegraaf will collectively roll out, under one brand name, a network of local sites to fulfil the need for local news.

Habbo is a successful online community for youngsters of 12 and older. Despite Habbo's revenue falling significantly as a result of the economic situation, its return remains high.

In the coming years, the position of videos is to be strengthened. The activities started by Telegraaf Media Nederland Video Media will be made more professional for our own internet sites.

In November 2009, Minister Plasterk announced that the broadcasting associations WNL and PowNed were to be permitted access to the public broadcasting system as prospective broadcasting stations. Both broadcasting stations resulted from initiatives of TMG business units and are operating independently of TMG by now.

# Sky Radio Group

## RADIO MARKET

**In 2009, the Dutch market for radio advertising was almost**

**□ 220 million compared to □ 261 million in 2008, a fall of almost 16%.**

### SKY RADIO GROUP

Due to the purchase of shares, there has been a limited rise in TMG's interest in Sky Radio Group from 85.9% to 87.3%.

Sky Radio Group has managed to retain its position as the largest radio group in the Netherlands. Collectively, the four radio stations in the group, Sky Radio 101 FM, Radio Veronica, Classic FM and HitRadio reach approximately 5 million Dutch listeners a week, as a consequence of which the group was responsible for approximately a quarter of all national radio expenditure also in 2009.

The economic crisis meant that Sky Radio Group, like all the media groups in the country, was confronted by a significant decline in its advertising income compared to 2008. In respect of 2010, account has been taken of a stabilisation at the current level of approximately □ 42 million. The radio market is extremely competitive; there is not only competition among the various radio stations themselves, but also in the field of play with other media types. Consequently, the rates are under pressure.

The collaboration with other units of TMG is gradually acquiring greater shape: this is providing the essential benefit of synergies.

In the next few years, the continuity of the company will still be extremely dependent on the distribution via the FM band.

The decision by the Dutch government to extend the FM licences of Sky Radio 101 FM and Radio Veronica in 2011 has given the company the certainty necessary for it to work with confidence and ambition towards a future which will be increasingly digitalised; a future in which the group hopes to play a pioneering role.

# Keesing Media Group

## PUZZLES AND GAMES

**Throughout 2009, Keesing Media Group's profitability improved, despite the relatively high costs incurred to take exploratory steps in the field of digital games.**

The profitability of the traditional puzzle magazines increased strongly.

By managing the distribution better, the percentage of unsold copies fell – particularly in France – and as a result the direct costs also fell.

Thanks to a new printing contract, the printing costs similarly fell. Where necessary, the portfolio was revised; changes were, for example, implemented in the Netherlands by reducing the number of Puzzlesport titles or incorporating them into Denksport titles.

In the Netherlands, competition could be said to have intensified. In France the market share rose, while in Belgium and Denmark it remained more or less the same.

In 2009, the digital games platform Zigiz.com was expanded further. The platform has acquired strength and standing but, even in 2010, it still finds itself in an exploratory phase.

Keesing anticipates the puzzle magazines market will remain stable in 2010. It expects the revenue from digital games to rise, while a number of investments will also be made to improve Keesing's future position in the field of games.

# Other activities and Operating companies

## OTHER ACTIVITIES

### MOBILLION

The economic recession also had a marked effect on Mobillion. In a stabilising (premium) SMS market, Mobillion was able to retain its market share, but its margins came under pressure. Mobillion played an important role in the introduction of an SMS code of conduct, which becomes effective in 2010 and aims to bar misleading paid-for SMS services from the market.

The market share in the 0900-market grew due to the recruitment of a number of important new clients.

Thanks to the launch of new social media products such as Recruitr.nl (recruitment in social networks), Uvid.nl (web video) and iSocial.nl (social media solutions for the charity sector), Mobillion is getting closer to achieving its aim of holding a strong position in the market for social media.

In 2009, the degree of collaboration with other TMG business units increased strongly.

### INTERNATIONAL

In the latter months of 2008 and the beginning of 2009, all the publishing activities in Sweden were sold and in the Ukraine they were either sold or discontinued. Via its subsidiary Keesing Puzzles & Games, TMG is active abroad in Belgium, France and Denmark.

## OPERATING COMPANIES

### TELEGRAAF DRUKKERIJ GROEP

In 2009, four presses in Amsterdam were reconditioned, as a result of which their quality and reliability were enhanced and technical lifespan lengthened.

Due to falling circulation figures and a reduced range of printed products, printers are continually thinking about changes which could lead to greater flexibility and lower production costs per unit.

### TMG DISTRIBUTION

Since the middle of 2007, a large-scale restructuring has been taking place within TMG Distributie. In 2009, the results became markedly visible: the number of delivery-related complaints fell by more than 25% and the total (recurring) distribution costs showed a limited fall compared to 2008.

Due to the restructuring of the order package from the transport organisation and the closure of the transport business units, the transport costs fell sharply. The closures went hand in hand with the loss of about 100 jobs.

In 2009, a feasibility study was carried out into the establishment of one collective delivery organisation for daily papers. Currently, the publishers of the daily newspapers involved are holding intense discussions about the results of this study.

As a result of discontinuing publication of the Sunday edition of the De Telegraaf and other extensive cost reduction programmes, an organic fall in distribution costs is projected for 2010.

### TELEGRAAF MEDIA ICT (TMI)

Information and communication technology is of crucial significance to TMG. TMI is responsible for an important part of the internal operational tasks in the field of ICT and last year it paid considerable attention to improving reliability and continuity, the quality of the information provision and ICT governance.

TMI's cost level has been strongly reduced, by, amongst other things, making changes to the processes and reducing both the number of employees and the hiring of external employees.

# Participating Interests

## PROSIEBENSAT.1 MEDIA AG (12% OF VOTING SHARES, 6% ECONOMIC INTEREST)

TMG has a 6% interest in ProSiebenSat.1 Media AG (ProSiebenSat.1), an international media group with a strong market position and good financial results. Furthermore, TMG can also participate in the expected international growth and benefit from the synergy created by the merger of ProSiebenSat.1 and SBS Broadcasting Systems. A step consistent with TMG's multi-media strategy. Due to the presence of ProSiebenSat.1 in the Dutch market, TMG can also maintain perspective in respect of television in the Netherlands.

Linked to the 12% interest held in voting shares, TMG has a seat on the ProSiebenSat.1's Aufsichtsrat (Supervisory Board) and a place in its Personalaussschuss (remuneration committee).

### Financial performance

ProSiebenSat.1 Media AG's recurring operating result (recurring EBITDA) was approximately € 675 million for 2008 on revenues amounting to € 3.1 billion. Primarily due to the economic decline, revenues in 2009 decreased to a level of € 2.9 billion. Resulting from cost savings, the recurring EBITDA rose to approximately € 697 million.

### Valuation

Pursuant to the application of IAS 28, as regards the valuation of this interest, the participating interest qualifies as an associate, i.e. a participating interest over which significant influence can be exercised. The acquisition value of the shares is € 182 million, being the exercise price of the option (€ 377 million) at that time less the impairment of € 195 million recognised in 2008.

The valuation of the interest as at 31 December 2008 included a long-term impairment of € 99.8 million as a result of the pressure on revenues and the operating result in 2008 and 2009. As at 31 December 2009, € 56 million of that impairment was reversed because, in particular, cost savings have improved the prospects.

The 6% share in ProSiebenSat.1's 2009 result amounted to € 8.7 million, and the value of the interest as at 31 December 2009 was € 136.8 million (€ 10.42 per share).

For a detailed explanation of the valuation, please refer to page 69 of the financial statements.

## DUTCH TELEVISION OPERATIONS

**The Dutch market for television advertising expenditure declined from € 855 million in 2008 to € 781 million in 2009, a fall of almost 9%.**

### SBS NEDERLAND

ProSiebenSat.1 Media AG is represented in the Dutch market by three commercial television channels: SBS 6, Net 5 and Veronica TV, and by the market leader in Dutch television magazines Veronica Magazine.

SBS Nederland's average market share over 2009 was 27.6% in the age range 20 to 49, a key target group for advertisers. Consequently, the 2008 record of a 27% market share in the same target group was exceeded.

In 2009, SBS 6 achieved an average market share of 14.2%: the highest market share since its inception. Net 5 closed off the year with an average market share of 6.9%. Veronica TV had an average market share of 6.5%.

SBS Nederland's market share in the advertising market was higher than its market share in the viewers' market.

## AM VAN GAAL MEDIA (20% INTEREST)

TMG owns a 20% interest in AM van Gaal Media, a publisher of general interest magazines, primarily targeted at women. As a consequence of the sale of an important part of TMG's magazine portfolio, this participation is no longer considered to be strategic.

# Risk Management

## DESCRIPTION OF THE RISK MANAGEMENT SYSTEM

**TMG has established an internal risk management system that, on the one hand, provides insight into the strategic and operational risks and, on the other, records the progress being made to reduce these risks. The CEO is responsible for the strategic risk management and the CFO for the operational risk management. The audit committee of the Supervisory Board supervises the quality of the risk management, the internal risk control and the control framework.**

### STRATEGIC RISK MANAGEMENT

Strategic risk management is integrated into TMG's planning and control cycle. Annually, strategic workshops are held both by the business units and by the Executive Board in collaboration with corporate staff. At these workshops, risks are identified and assessed on the basis of the objectives for the coming year.

In the planning and control cycle, the business units report their key risks and actions (to be taken to mitigate these) once a quarter. During quarterly meetings with the Executive Board, these risks are discussed. The risk management process is part of the performance evaluation of the management team members of the various business units.

The Executive Board and the corporate staff are responsible for taking action in respect of the key risks affecting more than one business unit.

In 2010, more emphasis will be placed on an integrated approach to risks which are common to several business units.

### OPERATIONAL RISK MANAGEMENT

The objective of operational risk management is to use a structured method to provide insight into the operational risks, and to assess and manage these risks.

A uniform framework applicable to the various business units has been developed for all the primary and supporting processes. The framework specifies the key risks and the expected control measures for each process. In 2009, various risk analyses were carried out, whereby the control measures were identified, the operational risks assessed and, if necessary, actions formulated to improve the management of these risks. Within Telegraaf Media Nederland operational risk management is entirely embedded in the planning and control cycle. Quarterly, a report is submitted in respect of the key operational risks and the actions that have been taken. In 2009, initial preparations were made to transfer the operational risk management within TMnl to the controllers of the underlying business units.

## EVALUATION OF THE INTERNAL RISK MANAGEMENT SYSTEM

In 2009, the risk management system was optimised further, and the risk managers were involved in the changes within TMnl. Examples of these include:

- the standardisation of the advertising process and system;
- the standardisation of the editorial process and system;
- the establishment of the Financial Shared Service Center; and
- the establishment of the HRM Shared Service Center.

A plan has been drawn up to transfer the entire operational risk management within TMnl to line management. TMnl's risk managers will transfer their responsibilities to the controllers who, in addition to monitoring the risks, will also be responsible for ensuring the key controls are effectively tested.

One of the objectives is to have a new risk analysis of the primary processes carried out once every three years. In that context, a start has been made on a new risk analysis of the advertising process.

In 2010, there will be further optimisation of risk management. In this context the activities listed below will be carried out:

- updating the risk management policy and disseminating it to all relevant parties;
- transferring TMnl's operational risk management to the controllers of the underlying business units;
- extending the activities of risk management to the other business units;
- ensuring that identified risks are assessed and recorded;
- revising the system of reporting in respect of the testing of the key controls;
- incorporating the operational risk management into the planning and control cycle of all the business units.

Although TMG has set up an adequate system for risk management, this system cannot provide an absolute guarantee that the company's objectives will be achieved. Nor can it completely prevent fundamental errors, fraud or the violation of laws and regulations.

# Risk Management

## PROGRESS OF ACTIONS RELATED TO RISKS IDENTIFIED FOR 2009

**Further to the strategic risks identified in 2008 for the 2009 financial year, the following is a report of the actions implemented for the purpose of reducing the identified risks.**

### STRATEGIC RISKS

#### **Insufficient focus on growth achieved through renewal and/or innovation.**

Although growth is important to TMG, the focus in 2009 was primarily on cost savings and the more efficient organisation of the group; there were also no sizeable acquisitions in 2009. However, the digital media activities were – where possible – integrated into the existing activities of TMnl, Keesing Media Group and Sky Radio Group.

The reach and number of page views of Telegraaf.mobi trebled in 2009, making Telegraaf.mobi one of the most visited mobile internet sites in the Netherlands. TMG also made further investments in mobile internet by launching new applications for the benefit of iPhones, and telephones powered by Java and Windows.

In 2009, Keesing Media Group expanded the Zigiz digital games platform.

#### **Insufficient ability to anticipate shifts in the consumer market rapidly enough.**

Shifts in the market occur quickly, in respect of both the multi-media approach to consumers and the field of digital media.

In 2009, greater shape was given to the segment approach, placing the focus on the most important consumer interests.

Examples of this could be seen in the segments recruitment market, cars, travel, finance and women. The actions proposed in this context relate to the creation of a segment organisation, the improvement of online positions, concentration on a single content platform and unambiguous branding.

In 2009, further investment was made in the Telegraaf e-commerce platform, the objective being to realise greater revenues from existing customers.

In addition, TMG responded to the changes in consumer behaviour by taking initiatives in mobile internet and videos.

#### **Insufficient ability to anticipate shifts in the advertising market rapidly enough.**

Alongside a shift in the flow of advertising funds between media types and the increasing demand from advertisers for cross-media propositions, other demands are currently also being placed on rates, delivery and billing methods.

In 2009, organisational changes were implemented in the advertising departments; this resulted in greater synergy and stricter control of the sales activities.

In addition, the cross-media activities have become more deeply embedded within the organisation. A cross-media board has been set up as well as a (training) scheme for cross-media account managers. These account managers work within a specific business unit, but are also the point of contact for advertisers in respect of cross-media activities.

In respect of the free local papers (distributed door-to-door), the organisation Lokale Media Partners (LMP) was established in collaboration with a number of regional partners. More than twenty partners now form a national network for these free local papers.

Self-service is deemed an important instrument within the advertising market; consequently, several self-service internet sites for the online submission of advertisements have been invested in. To improve the alignment of supply and demand in the internet advertising market, auction systems are now being used in addition to direct and indirect sales.

As the various business units use various pricing policies, TMnl is to draw up a central policy in this respect in 2010.

#### **Further setbacks in the economy than projected.**

To absorb, as far as possible, the effects of further setbacks in the economy, extra measures were taken in respect of both costs and revenue. At the end of 2009, the Sunday edition of the De Telegraaf was discontinued.

The cost savings programme started in 2008 is ahead of schedule. Costs have been made more flexible and lowered by, amongst other things, reducing the number of employees, outsourcing, disposing of and closing down activities, and making better use of existing printing capacity.

On the revenue side, there is increasing collaboration between editorial boards and the various TMnl publishers are also working on cross-media propositions and multi-media reach packages.

#### **Future trends concerning radio frequencies.**

In September 2011, the current licences of the commercial broadcasters with respect to the use of FM frequencies are set to expire. In order to facilitate the digitalisation of Dutch air-wave radio, a political decision was taken in 2009 to extend the licences concerned, including those of Sky Radio and Radio Veronica, for a period of six years. The licence holders will pay a competitive rate for this extension and will also be subject to the condition that they also broadcast via the airspace for digital radio for the coming six years. This step offers Sky Radio Group the security it requires to work with confidence on the future of radio.

# Risk Management

## OPERATIONAL RISKS

### **Delays in the implementation of the restructuring process due to internal/external factors.**

Delays in the implementation of the restructuring process due to internal/external factors.

The cost savings programme, including the savings on the number of fulltime jobs, is ahead of schedule. There has been an open and constructive dialogue with the works councils, the editorial boards and the trade unions.

### **Inability to generate the envisaged synergy.**

Several projects have been implemented to facilitate internal collaboration and synergy. Examples of these include: the standardisation of the advertising process and system; the standardisation of the editorial process and system; and the establishment of both the Financial Shared Service Center and the HRM Shared Service Center. In addition, a number of workgroups have been set up to improve the processes between publishers and operational business units.

Each quarter, the Executive Board and the management team of the business units jointly examine whether the objectives in respect of collaboration and synergy are being achieved.

In frequent communications to the employees, the Executive Board and the management teams emphasise the usefulness and necessity of collaboration. This risk will remain a point of attention in 2010, when the key competence involvement will be included in each employee's performance management programme.

### **High dependency on ICT systems in support of our operations.**

In 2009, due to the importance of this risk, Telegraaf Media ICT paid considerable attention to modern and affordable solutions and, simultaneously, to reliability, continuity, manageability and the quality of the services. In addition, a Corporate Information Management Office has been established, responsible for a TMG-broad ICT policy. To an increasingly large extent, TMG is becoming dependent on the availability of ICT systems and telecommunication networks. More than previously, TMG is placing greater focus on generic ICT services, which should make the organisation less susceptible to risk.

## RISK AND CONTROL MEASURES IDENTIFIED FOR 2010

At the end of 2009, strategic risk management workshops were conducted in all the business units. The objective was to identify the risks that could impact the objectives for 2010.

The overarching risks identified by the Executive Board and corporate staff have resulted in the following summary of key strategic risks.

### STRATEGIC RISK

#### **Insufficient ability to achieve results because of unfair competition due to opportunities the public service broadcasters have in the field of multi-media information.**

For a description of the problem caused by this risk reference is made to the foreword from the Executive Board contained in this annual report, under the heading "Public Broadcast: a risk". The risk can be reduced by devoting time and effort to explaining both the problem and the need for urgency to the parties involved.

At the same time, TMG continues to work to strengthen its own position, through the development of distinctive products and services.

#### **Advertising revenue is falling more sharply than expected through the continuing poor economy, fierce price competition and attacks by competitors and other media types.**

Pressure is high, which is why TMG continues to adapt its products and portfolio to the needs and requirements of the market, and also assesses all products and services for (future) yields and their potential to become market leaders. TMG discontinues products and services that do not pass this test. TMG also continually develops new products and services that meet changing demand.

#### **Insufficiently able to facilitate the migration (development) towards the digital world on time, as a result of which TMG does not respond in time to changing media consumption behaviour.**

The reason why this risk is high on the agenda has a great deal to do with the exceptional circumstances of 2009, a year of recession. The available time and attention was primarily devoted to optimising existing activities, with the aim of reducing costs and improving returns. Time was also devoted to the migration to digital operations. In 2009, too, new digital TMG products were therefore launched in the market and existing products were developed further. In 2010, however, these activities must be accelerated. The organisation has now been adjusted by focusing editorial as well as commercial depart-

# Risk Management

ments on markets such as travel, cars, employment, entertainment and women, regardless of the associated types of media. An organisational change has also taken place to achieve sufficient cover at the local level in the digital field, as well as at the national and regional levels. Actions are planned to reduce the 'time-to-market' for new in-house digital products and to increase the chances to make acquisitions in the digital field.

## **The continuity and reliability of ICT and other processes, data and systems.**

In view of the growing dependence on ICT in virtually all processes, a risk analysis of ICT processes will be conducted in 2010. This will result in an ICT risk framework. The TMG ICT Transformation Programme will also be implemented further in 2010. This programme is aimed at redesigning the ICT organisation, optimising the number of applications used and further outsourcing of generic service provision. Actions will be taken with the aim of further developing ICT policy, making information provision more flexible through the standardisation of methods, techniques, processes and procedures, and further professionalisation of the ICT function.

## **FINANCIAL RISKS**

### **Market, credit, liquidity, foreign exchange and interest rate risks.**

For a more detailed description and quantification of the abovementioned financial risks and the management of these risks, please see page 80 of the financial statements.

# Statement of responsibility

## EXECUTIVE BOARD – STATEMENT OF RESPONSIBILITY

**In compliance with Section 5:25c subsection 2c of the Financial Supervision Act (Wft), the Executive Board confirms that:**

1. The financial statements provide a true and fair view of the assets, liabilities, financial position and the profit or loss of the publishing institution and the companies jointly included in the consolidation; and
2. The annual report presents a true and fair view of the position on the balance sheet date and the performance during the financial year of the publishing institution and its affiliated companies, the figures of which are included in its financial statements, and that the annual report describes the material risks facing the publishing institution.

Amsterdam, 11 March 2010.

### **Executive Board Telegraaf Media Groep N.V.**

A.J. Swartjes - CEO

F.Th.J. Arp - CFO

P.M. Morley - COO

# Corporate governance

## CORPORATE GOVERNANCE BEST PRACTICES

**The Executive Board and the Supervisory Board endorse the principles of the updated Corporate Governance Code, as prepared by the Frijns Commission on 10 December 2008. This Code takes effect from the financial year commencing on or after 1 January 2009.**

In this section, TMG provides an explanation of its deviations from the Code. The corporate governance statement, including the full "Comply or Explain" summary concerning TMG's Code is available on its website at [www.tmg.nl](http://www.tmg.nl).

Deviations from the Corporate Governance Code:

### BEST PRACTICE PROVISION II.1.1

#### **Maximum appointment term of four years**

According to company policy, a Board member is an employee of the company with a permanent appointment. Periodic appointments create the risk of conflicts of interest between the long-term interests of the company and a maximum appointment period of the Board member of four years. Shareholders can exert their influence annually at the General Meeting in ratifying the actions of the Executive Board on behalf of the company. The Supervisory Board evaluates the Executive Board's performance annually.

### PRINCIPLE II.2. / BEST PRACTICE PROVISION II.2.8

#### **Maximum severance pay for Executive Board members**

Each member of the Executive Board is an employee of the company. It is this working relationship that determines the severance pay, as the situation dictates, which remuneration may be determined by the competent court.

### BEST PRACTICE PROVISION III.2.1

#### **Independence of Supervisory Board members with the exception of not more than one person.**

Independent supervision will be adequately safeguarded if the majority of the Supervisory Board members can be deemed to be independent according to III.2.2 (criteria for independence).

### BEST PRACTICE PROVISION III.3.5

#### **Maximum term of office for Supervisory Board members**

This provision is not adhered to. It is noted that many positions in society are occupied for longer periods. Experience and expertise are extremely important. The connection with and knowledge of the company prevail.

### PRINCIPLE III.5 / BEST PRACTICE PROVISIONS III.5.6 AND III.5.11

#### **Composition and role of the key committees of the Supervisory Board**

The Code states that if the Supervisory Board consists of more than four members, it must appoint an audit committee, a remunerations committee and a selection and appointment committee. The current Supervisory Board has five members (six seats). The audit and remuneration committee consists of all members of the Supervisory Board.

In view of the commitment and wide-ranging expertise of the members of the Supervisory Board and the nature and scale of the company, such committees consisting of only part of the Board will not be appointed. The Supervisory Board Chairman is also the chairman of the audit and remuneration committee. If necessary a selection and appointment committee will be composed.

### BEST PRACTICE PROVISION IV.1

#### **To the best of its ability, the company enables shareholders to vote and communicate with all (other) shareholders by proxy**

TMG does not allow shareholders to vote by proxy in the General Meeting of Shareholders. In principle, shareholders should attend the meeting in order to be able to discuss matters with other shareholders present and so form an opinion.

### BEST PRACTICE PROVISION IV.1.7.

#### **The company shall determine a registration date for the exercise of the voting rights and the rights relating to meetings.**

Shareholders have to be in possession of their shares at the Annual General Meeting of TMG to be able to vote. With regard to the determination of the registration date TMG is awaiting the final proposals for this part of the law.

### BEST PRACTICE PROVISION IV.2.8

#### **Proxies**

It is possible for the management of the Trust office to issue proxies to depositary receipt holders, even during times of war. The practice of binding voting instructions from a depositary receipt holder to the management is not supported, as the Executive Board is of the opinion that those wishing to vote ought to be present at the General Meeting of Shareholders. Holders of depositary receipts can freely convert their depositary receipts into shares in order to obtain voting rights.

# Corporate governance

## BEST PRACTICE PROVISION IV.3.1

### **Web casting, etc., of meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences**

This provision is not adhered to as regards "one-to-one" meetings. However, group presentations can be viewed via web casts (www.tmg.nl). After they have been delivered, presentations will be posted on the group's website.

## BEST PRACTICE PROVISION IV.3.9

### **Material changes in the company's Articles of Association and proposals to appoint managing directors and supervisory directors must be proposed separately to the general meeting**

**TMG is a statutory two-tier entity**

The Executive Board is appointed by the Supervisory Board. The Supervisory Board notifies the shareholders of a proposed appointment.

## CORPORATE GOVERNANCE TAKEOVER DIRECTIVE INFORMATION

### **Information on the directive on takeover bids in the context of Article 1 of the Implementing Decree for Article 10 of the Directive on Takeovers.**

The authorised capital of Telegraaf Media Groep N.V. (TMG) amounts to □ 40,000,000 consisting of:

- 79,999,040 ordinary shares;
- 960 priority shares;
- 80,000,000 preference shares.

Each share has a nominal value of □ 0.25. Each share is entitled to one vote.

TMG's issued capital currently amounts to □ 11,937,740, consisting of 47,750,000 ordinary shares and 960 priority shares.

Depository receipts for TMG ordinary shares are listed on the NYSE Euronext in Amsterdam, and can be traded freely and converted without limitation.

The Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V. (Priority Shares Management Trust) owns the 960 TMG priority shares. Pursuant to TMG's Articles of Association, the Priority Share Management Trust has a number of rights, including the right to issue shares, grant rights to acquire shares, restrict or rule out the preferential right of subscription to ordinary shares, to determine the number of members on the Executive Board, to grant prior approval for certain decisions of the Executive Board, to reserve profit, to distribute dividend in the form of shares and to propose (de-)mergers, amendments to the Articles of Association or dissolution of the company.

The Stichting Preferente Aandelen Telegraaf Media Groep N.V. (TMG Preference Shares Trust) has the right to acquire a number of preference shares in TMG's capital that corresponds to 50% of the total number of ordinary shares issued, for the exercise of these rights.

The company does not impose any limitation on the transfer of ordinary shares or on the issue of depository receipts for shares in collaboration with the company. Priority shares and preference shares (if issued) can only be transferred with the approval of the Supervisory Board.

Pursuant to the Financial Supervision Act and the Besluit melding zeggenschap kapitaalbelang in uitgevende instellingen (Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions Decree) the following significant

# Corporate governance

participations in TMG were reported to the Authority for Financial Markets (AFM) (source: [www.afm.nl](http://www.afm.nl) at the beginning of March 2010):

- Stichting Administratiekantoor van aandelen Telegraaf Media Groep N.V.;
- Stichting Preferente Aandelen Telegraaf Media Groep N.V.;
- Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V.;
- N.V. Exploitiemaatschappij Van Puijenbroek;
- Cyrte Investments B.V.;
- Aviva plc;
- Tweedy Browne Company LLC;
- M.M.J.J. Boekhoorn;
- Navitas B.V.

Other than described in relation to priority shares above, the shares do not convey any special rights.

TMG does not issue any rights to employees to acquire shares in the capital of the company or its subsidiaries if the employees do not exercise direct control over those shares.

As described above, depositary receipts have been issued in collaboration with the company.

As far as TMG is aware, TMG's shareholders are not party to any agreement that could result in limiting the transfer of shares or depositary receipts for shares issued in collaboration with the company or in a restriction of voting rights.

The rules for statutory two-tier entities apply to TMG in full. The Executive Board is appointed by the Supervisory Board. The General Meeting of Shareholders is informed of any planned appointments. The Supervisory Board cannot dismiss a member of the Executive Board before the General Meeting of Shareholders has been consulted about the planned dismissal and the member of the Executive Board has been given the opportunity to answer to the General Meeting of Shareholders.

Members of the Supervisory Board are appointed by the General Meeting of Shareholders on the recommendation of the Supervisory Board. The General Meeting of Shareholders and the Works Council can recommend persons for nomination to the Supervisory Board. The Works Council has a "reinforced" right of recommendation for a third of the members of the Supervisory Board. If a request is made to that effect, the Enterprise Division of the District Court of Amsterdam can dismiss a Supervisory Board member due to dereliction of duties, due to other important reasons or due to drastic changes in circumstances as a result of which the company

cannot be reasonably expected to maintain the Supervisory Board member. The General Meeting of Shareholders can, on the basis of a majority of votes cast, representing at least one third of the issued capital, rescind its confidence in the entire Supervisory Board. (See TMG's Articles of Association at [www.tmg.nl](http://www.tmg.nl)).

The General Meeting of Shareholders can only take a decision to amend the Articles of Association on the basis of a proposal submitted by the Priority Share Management Trust.

Shares are issued on the basis of a decision taken by the Priority Share Management Trust's management board. The General Meeting of Shareholders can be requested to extend the Priority Share Management Trust's appointment as the body authorised to issue shares, for a maximum period of five years each time (see Article 5 of TMG's Articles of Association at [www.tmg.nl](http://www.tmg.nl)). During the meeting of 17 April 2008, the shareholders appointed the Priority Share Management Trust as the authorised body until 1 July 2010.

TMG is entitled to acquire fully paid company shares or depositary receipts for shares with due observance of the applicable legal provisions. Shares, other than for no consideration, can only be acquired if the General Meeting of Shareholders has so authorised the Executive Board. The authorisation is valid for a period of at most 18 months. The General Meeting of Shareholders must specify the number of shares or depositary receipts for shares that may be acquired, how they may be acquired and the applicable price range, in granting the authorisation (Article 13 of TMG's Articles of Association at [www.tmg.nl](http://www.tmg.nl)). During the General Meeting of Shareholders on 22 April 2009, the shareholders authorised the TMG Executive Board until 23 October 2010, to purchase, on the stock exchange or otherwise, company shares or depositary receipts for shares up to no more than one tenth of the issued capital at a price not lower than the nominal value and not higher than 10% above the average closing prices of the depositary receipts for ordinary shares published in the Daily Official List during the five consecutive days prior to the date of purchase.

TMG has not contracted any agreements with members of the Executive Board or other employees from which such persons could derive rights to compensation on termination of their employment contracts following the settlement of a public bid for TMG shares.

# Sustainability Report

## INTRODUCTION

**The issue of corporate responsibility has become an integral part of society and thereby of TMG. As a media business operating at the heart of society, TMG not only encounters a growing demand for reporting on corporate responsibility among media consumers, but also growing demand among investors, advertisers and employees for an insight into the TMG's economic, social and environmental impact.**

TMG takes its duty to treat the social and natural environment with care seriously. TMG aims to reduce its negative impact and where possible, to increase the positive impact. This is based on the conviction that a carefully-considered corporate responsibility policy not only reduces negative consequences for the environment, but also leads to savings through more efficient use of natural resources, innovations in the operating, commercial and editorial fields, customer appreciation and motivated employees.

TMG took the first steps towards a careful and transparent corporate responsibility policy in 2009. TMG began by defining its carbon footprint and potential measures that will both reduce CO2 emissions and lead to cost-savings. On the basis of this analysis, a decision was taken at year-end 2009 to formulate a corporate responsibility vision in 2010, to develop a number of options for sustainable cost-savings in more detail and to draw up a detailed definition of the carbon footprint. This will be published in the course of the year.

In order to present sustainability results to all stakeholders as transparently as possible and to allow integration with other results in the field of corporate social responsibility (CSR), TMG will report in accordance with the guidelines of the Global Reporting Initiative (GRI) from the 2010 financial year. (The GRI standard is the internationally accepted guideline for reporting on social responsibility and sustainability performance.)

At present, there is not enough detailed information available to be able to do this for 2009. A brief impression of the steps taken in the sustainability field in 2009, and the plans launched for 2010 is therefore presented below. The emphasis here lies on the issues that are most relevant for a media company: the social impact of reporting and areas in which media production has the relatively highest environmental impact.

## CONTENT AND SUSTAINABILITY

**“Green” is a social issue that is increasingly penetrating the field of interest of TMG's readers, listeners and viewers. The issue is no longer claimed as the prerogative of environmental groups, but now concerns everyone. At the same time, the emphasis on protecting the environment has shifted to the opportunities that sustainability offers for innovation, efficiency and enterprise.**

TMG is aware that the new, wide group interested in sustainability includes many media consumers who rely on the content and independence of reporting by the various business units. TMG is keen to make a contribution to informing this group in a critical and practical manner on sustainability issues.

Although sustainable reporting has been an integral part of TMG's reporting for some time, it is acquiring an increasingly explicit profile. In 2009, for instance, De Telegraaf newspaper gave detailed coverage to aspects of sustainability in connection with “Sustainability Day” and together with the National Institute for Family Finance Information (Nibud), presented sustainable savings tips in the context of “Stop de Crisis”.

Since early 2010 it has published De Groene Telegraaf (The Green Telegraaf), a weekly section of the Saturday newspaper. In addition, Pilarczyck Media Group produced two television programmes on sustainable transport for RTL TransportWereld in early 2010.

## PRINTING PROCESS AND PAPER CONSUMPTION

**Printing newspapers and magazines is a TMG activity with a relatively large environmental impact, both indirectly, through the consumption of energy, water and timber in the production of paper, and directly, through the consumption of energy, water, ink and paper in the printing process. TMG wishes to treat this with care and, within the limits of its financial possibilities, to minimise the direct and indirect environmental impact of its printing operations.**

TMG has two in-house newspaper printing plants. Printing of puzzle booklets and magazines is outsourced to two external printers. A start was made in 2009 on analysing the CO2 emissions of the printing process at the TMG printers. A detailed estimate will follow in 2010, including of water consumption and waste flows, as part of the detailed calculation of the carbon footprint.

# Sustainability Report

Where possible, TMG will also consider potential improvements in the energy efficiency of the printing process at its printers, and whether waste processing and the use or re-use of materials can be optimised further.

In 2009, more than 90,000 tons of paper was used for TMG's printed publications. The paper procured in 2009 for printing newspapers and magazines came from FSC-certified companies (Forest Stewardship Council, FSC is an independent organisation established to promote the responsible management of the world's forests and a certification system that provides internationally recognized standard-setting, trademark assurance and accreditation services). The composition of the paper used is currently being defined in more detail and will be disclosed later this year. Possibilities to increase the use of FSC-certified paper will also be analysed.

## TRANSPORT AND DISTRIBUTION

**In addition to printing media, the transportation and distribution of newspapers also has an environmental impact. TMG has the ambition to reduce this impact. In the Netherlands, trucks and delivery vans drove about 29 million kilometres in 2009 to transport TMG newspapers from printers to newspaper delivery points. The vast majority of newspaper delivery to the homes takes place by bicycle.**

In 2009, distribution and transport of newspapers was almost completely organised via freelancers with their own means of transport. This makes it difficult to steer for sustainability. At present, the sustainability of vehicles is not a criterion for awarding transport contracts. Trucks managed by TMG and leased trucks are all fitted with efficient and relatively clean engines that comply with the European Euro 5 standard.

Since 2007, TMG has worked increasingly with route optimisation. A pilot project was conducted in 2009 to increase the effectiveness of route optimisation, a process that will be implemented in 2010. Possibilities for increasing fuel efficiency will also be considered in 2010, for both transport provided by TMG Distribution itself and for outsourced transportation.

## ICT

**With the growth of digital media and digital storage systems, the use of ICT at TMG has further increased. This certainly applies for data centre capacity. Cooling and energy consumption at the data centres therefore account for a growing share of environmental impact. TMG has the ambition to control the environmental impact resulting from ICT as far as possible. TMG has three large and two small data centres at different TMG locations. A small part of the business applications have been transferred to an external data centre. In addition, about 3,000 permanent and mobile workstations have been equipped.**

A start was made in 2009 on analysing ICT energy consumption at TMG locations and the possibilities for reducing energy consumption. Efforts were also made to reduce the number of printers and copiers and to improve utilisation of existing data centre capacity, including potential outsourcing to "green" data centres.

In 2010, these analyses will lead to concrete proposals and decisions will be made on which measures can be implemented with the greatest cost-efficiency.

# Sustainability Report

## PROCUREMENT

**In the near future, TMG aims to include the level of sustainability in procurement criteria for goods, in addition to economic criteria and the required product specifications. Although there are no formal guidelines for this as yet, the Corporate Procurement department does take sustainability into account in its decisions and in its role as an advisor of the business units.**

A contract for TMG's catering was signed with Sodexo, a pioneer in the field of sustainability in the catering sector. Lyreco, TMG's supplier of office supplies, and TNT, which distributes magazines for TMG, were also selected partly for their sustainability profiles.

In 2010 Corporate Procurement made a start at TMG on formulating a sustainability policy in order to be able to advise and support business units on the inclusion of sustainability considerations in procurement decisions. TMG expects to implement this policy this year.

## SUSTAINABLE MOBILITY

**TMG seeks to facilitate and promote sustainable means of transportation among its employees, without restricting their individual freedom of choice or obstructing the performance of their day-to-day work.**

TMG has a Bicycle Plan, for example, in order to promote travel between home and work by bicycle. In 2009, a first step was taken towards increasing the sustainability of the passenger car fleet. TMG has decided to restrict the leasing of cars to models with an A, B or C energy label. TMG also promotes the choice of relatively clean passenger cars by awarding a bonus if a car is selected in the category of 14% addition for tax purposes for company cars.



# TMG Financial Statements 2009



TELEGRAAF MEDIA GROEP



# Consolidated statement of comprehensive income

<i>In thousands of euros</i>	Note	<b>2009</b>	2008
<b>Continued operations</b>			
Revenues	4	<b>611,840</b>	680,896
Other operating income	5	<b>2,902</b>	3,868
<b>Total income</b>		<b>614,742</b>	684,764
Raw and auxiliary materials	6	<b>52,556</b>	56,831
Personnel costs	7	<b>228,646</b>	305,141
Depreciation	8	<b>15,916</b>	21,288
Amortisation and impairment	8	<b>46,193</b>	48,815
Other operating expenses	9	<b>274,301</b>	290,018
<b>Total operating expenses</b>		<b>617,612</b>	722,093
<b>Operating result</b>		<b>-2,870</b>	-37,329
Result from associates	10	<b>63,827</b>	-131,336
Financial income	10	<b>713</b>	15,634
Financial expenses	10	<b>-1,802</b>	-198,660
<b>Financial income and expenses</b>		<b>62,738</b>	-314,362
<b>Result of continued operations, before tax</b>		<b>59,868</b>	-351,691
Income tax	11	<b>907</b>	-10,287
<b>Result of continued operations</b>		<b>58,961</b>	-341,404
<b>Result of discontinued operations</b>			
Gain on sale of discontinued operations, net of tax	13	<b>10,365</b>	-19,361
<b>Net result for the year</b>		<b>69,326</b>	-360,765
Other comprehensive income for the year, net of tax		<b>594</b>	-471
<b>Total comprehensive income for the year</b>		<b>69,920</b>	-361,236
<b>Net result attributable to:</b>			
Shareholders of Telegraaf Media Groep N.V.		<b>70,505</b>	-359,988
Minority interest		<b>-1,179</b>	-777
<b>Net result for the year</b>		<b>69,326</b>	-360,765
<b>Comprehensive income attributable to:</b>			
Shareholders of Telegraaf Media Groep N.V.		<b>71,099</b>	-360,459
Minority interest		<b>-1,179</b>	-777
<b>Total comprehensive income for the year</b>		<b>69,920</b>	-361,236
<b>Earnings per share</b>			
Result attributable to shareholders of ordinary shares Telegraaf Media Groep N.V.	24	<b>70,505</b>	-359,988
Weighted average number of ordinary shares	24	<b>47,750,000</b>	48,041,840
Basic and diluted earnings per share (EUR)		<b>1.48</b>	-7.49
Basic and diluted earnings continued operations per share (EUR)		<b>1.26</b>	-7.09

# Consolidated statement of financial position

As at 31 december

*In thousands of euros*

	Note	2009	2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	14	<b>381,360</b>	418,037
Property, plant and equipment	15	<b>60,646</b>	85,803
Investments in associates	16	<b>136,976</b>	71,833
Deferred tax assets	29	<b>10,633</b>	9,138
Other receivables	17	<b>5,907</b>	4,602
<b>Total non-current assets</b>		<b>595,522</b>	589,413
<b>Current assets</b>			
Inventories	18	<b>14,736</b>	18,417
Tax receivables	12	<b>352</b>	8,529
Trade and other receivables	19	<b>80,798</b>	93,224
Cash and cash equivalents	20	<b>56,506</b>	33,592
Assets classified as held for sale	21	<b>14,882</b>	18,841
<b>Total current assets</b>		<b>167,274</b>	172,603
<b>Total assets</b>		<b>762,796</b>	762,016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Issued capital		<b>11,938</b>	12,500
Other reserves		<b>454,024</b>	399,076
<b>Attributable to equityholders Telegraaf Media Groep N.V.</b>	22	<b>465,962</b>	411,576
Minority interest		<b>3,335</b>	3,269
<b>Total shareholders' equity</b>		<b>469,297</b>	414,845
<b>Liabilities</b>			
Interest-bearing loans and borrowings	25	<b>18,618</b>	27,242
Post-employment benefit liabilities	27	<b>26,932</b>	29,377
Restructuring provisions	28	<b>7,657</b>	12,356
Deferred tax liabilities	29	<b>25,702</b>	32,264
<b>Total non-current liabilities</b>		<b>78,909</b>	101,239
Interest-bearing loans and borrowings	25	<b>11,828</b>	15,847
Accounts payables and other current liabilities	30	<b>173,385</b>	178,772
Restructuring provisions	28	<b>19,507</b>	41,856
Tax payables	12	<b>7,287</b>	3,102
Liabilities classified as held for sale	21	<b>2,583</b>	6,355
<b>Total current liabilities</b>		<b>214,590</b>	245,932
<b>Total liabilities</b>		<b>293,499</b>	347,171
<b>Total equity and liabilities</b>		<b>762,796</b>	762,016

# Consolidated statement of cash flows

<i>In thousands of euros</i>	Note	<b>2009</b>	2008
<b>Cash flow from operating activities</b>			
<b>Net Result for the year</b>		<b>69,326</b>	-360,765
Adjustments for:			
Depreciation of property, plant and equipment	15	<b>16,193</b>	22,769
Amortisation of intangible assets	14	<b>37,664</b>	39,152
Impairment loss non-current financial assets	10	-	195,000
Impairment losses intangible assets	14	<b>8,633</b>	24,671
Impairment losses property, plant and equipment	15	<b>55</b>	-
Net financing costs		<b>2,315</b>	-11,485
Share in result investments accounted for according to the 'equity' method	10	<b>-8,267</b>	13,926
Impairment loss on associated companies	10	-	118,488
Reversal of impairment losses	10	<b>-56,000</b>	-
Gain on sale of property, plant and equipment	5	<b>-2,607</b>	-2,868
Gain on sale of non-current financial assets	10	<b>440</b>	370
Gain on sale of discontinued operations, net of tax	13	<b>-8,072</b>	-8,006
Income tax	11	<b>-6,049</b>	-10,143
		<b>53,631</b>	21,109
Change in inventories		<b>3,626</b>	-2,062
Change in trade and other receivables		<b>12,895</b>	20,301
Change in prepayments		<b>-4,898</b>	-1,698
Change in accounts payable and other current liabilities		<b>2,297</b>	-22,458
Change in provisions and post-employment benefit liabilities		<b>-28,321</b>	30,396
		<b>39,230</b>	45,588
Interest paid (received)		<b>-565</b>	17,702
Income taxes received		<b>10,587</b>	1,672
<b>Net cash from operating activities</b>		<b>49,252</b>	64,962
<b>Cash flows from investing activities</b>			
Investments in intangible assets	14	<b>-7,005</b>	-7,500
Investments in property, plant and equipment	15	<b>-4,161</b>	-7,783
Acquisition of subsidiaries, net of cash acquired		<b>-3,010</b>	-39,048
Acquisition of associated companies		<b>-602</b>	-377,933
Divestment of associated companies		<b>35</b>	891
Divestment of other investments		<b>500</b>	-
Disposal of operation, net of cash disposed of	13	<b>2,036</b>	8,792
Divestments of property, plant and equipment		<b>14,826</b>	4,738
<b>Net cash from (used in) investing activities</b>		<b>2,619</b>	-417,843
<b>Cash flows from financing activities</b>			
Dividends paid	23	<b>-16,713</b>	-47,750
Repurchase of own shares	22	-	-47,030
Withdrawal of borrowings		<b>76</b>	-
Redemption of borrowings		<b>-14,263</b>	-14,424
Change in minority interest		<b>1,245</b>	-165
<b>Net cash used in financing activities</b>		<b>-29,655</b>	-109,369
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>22,216</b>	-462,250
Cash and cash equivalents at 1 January	20	<b>33,592</b>	496,025
Effect of exchange rate fluctuations on cash held		-	-223
Change in cash classified as held for sale	21	<b>698</b>	40
<b>Cash and cash equivalents at 31 December</b>	20	<b>56,506</b>	33,592

# Consolidated statement of changes in equity

## Attributable to equityholders of Telegraaf Media Groep N.V.

<i>In thousands of euros</i>	Note	Issued capital	Translation reserve	Treasury shares	Retained earnings	Total	Minority shareholders' interests	Total equity
Balance at 1 January 2008		12,500	-123	-6,164	860,602	866,815	4,021	870,836
Net result for the year		-	-	-	-359,988	-359,988	-777	-360,765
Other comprehensive income	22	-	-471	-	-	-471	-	-471
<b>Total comprehensive income for the year</b>		-	-471	-	-359,988	-360,459	-777	-361,236
Dividends paid to shareholders	23	-	-	-	-47,750	-47,750	-	-47,750
Repurchase of own shares	22	-	-	-47,030	-	-47,030	-	-47,030
Change in minority interest		-	-	-	-	-	25	25
<b>Balance as at 31 December 2008</b>		<b>12,500</b>	<b>-594</b>	<b>-53,194</b>	<b>452,864</b>	<b>411,576</b>	<b>3,269</b>	<b>414,845</b>
Net result for the year		-	-	-	<b>70,505</b>	<b>70,505</b>	<b>-1,179</b>	<b>69,326</b>
Other comprehensive income	22	-	<b>594</b>	-	-	<b>594</b>	-	<b>594</b>
<b>Total comprehensive income for the year</b>		-	<b>594</b>	-	<b>70,505</b>	<b>71,099</b>	<b>-1,179</b>	<b>69,920</b>
Dividends paid to shareholders	23	-	-	-	<b>-16,713</b>	<b>-16,713</b>	-	<b>-16,713</b>
Withdrawal of own shares	22	<b>-562</b>	-	<b>53,194</b>	<b>-52,632</b>	-	-	-
Change in minority interest		-	-	-	-	-	<b>1,245</b>	<b>1,245</b>
<b>Balance as at 31 December 2009</b>		<b>11,938</b>	-	-	<b>454,024</b>	<b>465,962</b>	<b>3,335</b>	<b>469,297</b>

# Notes to the consolidated financial statements

## CONTENTS

### page Note

48	1. Significant accounting policies
58	2. Segment reporting
60	3. Business combinations
61	4. Revenues
61	5. Other operating income
61	6. Raw and auxiliary materials
61	7. Personnel costs
62	8. Depreciation, amortisation and impairment
62	9. Other operating expenses
62	10. Financial income and expense
63	11. Income tax
64	12. Current tax assets and liabilities
64	13. Discontinued operations
66	14. Intangible assets
68	15. Property, plant and equipment
69	16. Investments in associated companies
71	17. Other receivables
71	18. Inventories
71	19. Trade and other receivables

### page Note

72	20. Cash and cash equivalents
72	21. Assets and liabilities held for sale
72	22. Shareholders' equity
73	23. Dividend
74	24. Earnings per share
74	25. Interest-bearing loans and borrowings
76	26. Share-based remunerations
76	27. Post-employment benefit liabilities
78	28. Restructuring provision
79	29. Deferred tax assets and liabilities
80	30. Accounts payable and other current liabilities
80	31. Financial risk management
83	32. Off balance sheet liabilities
83	33. Investment commitments
83	34. Contingent liabilities
84	35. Related parties
84	36. Interests in joint ventures
85	37. Subsequent events

## 1. SIGNIFICANT ACCOUNTING POLICIES

### Corporate information

Telegraaf Media Groep N.V. (the 'Company') domiciled in Amsterdam, the Netherlands is a media company with a leading market position and recognized brands in the Netherlands. The activities primarily are the publication of printed media and the operation of, and participation in, digital media, radio and television. The company's shares are listed on the NYSE Euronext in Amsterdam.

The consolidated financial statements of the Company for the year ended 31 December 2009 comprise the company and its subsidiaries (together referred to as TMG) and jointly controlled entities and TMG's interest in associates.

The financial statements have been compiled by the Executive Board, and have together with the Supervisory Board been signed on 11 March 2010.

### Statement of Compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB) and as adopted by the European Union, and the interpretations of these standards by the IASB.

### Basis for preparation

The financial statements are presented in euros, rounded to the nearest thousand. They are prepared on the historical cost basis, except that the following assets and liabilities are stated at their fair value: financial instruments available for sale.

Non-current assets and disposal groups held for sale are stated at the lower of the carrying amount and the fair value less costs to sell.

The principles for the valuation of assets and liabilities and the determination of the result of the company financial statements of Telegraaf Media Groep N.V., are in conformity with article 402, Book 2 of The Netherlands Civil Code.

### Changes in accounting policies

The accounting policies have been applied consistently for the years 2009 and 2008 as presented in these consolidated financial statements. As a consequence of a change in IFRS standards the following change in accounting policy has applied:

#### Borrowing costs

As of 1 January 2009 IAS 23 (revised) 'Borrowing costs' became effective. Borrowing costs are capitalised on qualifying interests.

TMG's previous policy was to expense borrowing costs as they were incurred. The change in accounting policy has no significant influence on the financial position of TMG.

TMG adopted the standard on a prospective basis, comparative figures have not been changed.

### Changes in presentation

The discontinued operations 2008 and 2009 have an effect on the financial position of TMG. The presentation of the statement of comprehensive income is primarily based on continued operations. The comparative financial figures 2008 have been reclassified to conform to the current period presentation. The presentation of, and certain terms used in, the statement of financial position, statement of comprehensive income and certain notes has been changed in 2009 to provide additional and more relevant information. Certain comparative amounts have been reclassified to conform to the current period presentation. None of the changes are significant.

As a consequence of changes in IFRS standards the following changes in accounting policies have been made:

- presentation of the Financial Statements;
- presentation of the Operating Segments.

#### Presentation of the Financial Statements

As of 1 January 2009, IAS 1 (revised) 'Presentation of Financial Statements' became effective and has been applied by TMG. IAS 1 (revised) uses the terms 'statement of financial position' (previously 'balance sheet') and introduces a 'statement of comprehensive income' (previously 'income statement'). IAS 1 (revised) also requires the presentation of a statement of financial position at the beginning of the first comparative period presented if an entity has changed its accounting policies retrospectively or made retrospective restatements. The change in presentation and disclosure has no consequences for TMG's financial position.

#### Presentation of the Operating Segments

As of 1 January 2009 IFRS 8 'Operating Segments' became effective. TMG determines and presents operating segments based on the internal reporting structure on which operating decisions are taken. As IFRS 8 is adopted, segment information is presented separately by business segments, which consists of three media companies within TMG: Telegraaf Media Nederland, Sky Radio Group and Keesing Media Group. Segment results, which are directly reported to the Executive Board, concern items which could be allocated directly or on a reasonable basis.

Previously operating segments were presented conform IAS 14 'Segment Reporting'. Comparative segment information has been presented in conformity with the transitional requirements of such a standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on the financial position of TMG.

### Critical accounting estimates and judgements

In the process of applying TMG's accounting policies, management has made judgements, estimates and assumptions, which affect the application of the accounting principles and the amounts recognised in the financial statements. The estimates and the related assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. The outcomes of these form the basis for the evaluation of the carrying value of assets and liabilities where this is not easily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of the estimates are applied in the period during which the estimate is revised, if the revision only has consequences for the period in question. If the revision has consequences for both the period under review and future periods, the estimate is revised in both the period of revision and future periods.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated statements are:

- intangible assets (useful life and impairment - see note 14);
- property, plant and equipment (useful life - see note 15);
- non-quoted financial instruments (impairment - see note 16);
- associated companies (impairment - see note 16);
- trade receivables (impairment - see note 19);
- post employment benefit liabilities (actuarial assumptions - see note 27);
- restructuring provision (the amount of severance payments and severance alternatives - see note 28);
- income tax (rate and recoverability deferred tax - see note 29).

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the accompanying notes.

### Basis of consolidation

The consolidated financial statements of Telegraaf Media Groep N.V. comprise the company and all of its subsidiaries and joint ventures. The consolidation is based on the valuation and the accounting principles of the parent company.

#### Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### Joint ventures

Joint ventures are those entities established by contractual agreement over whose activities TMG has joint control and in which strategic decisions are taken by unanimous consent. The consolidated financial statements include TMG's proportional share of the entities assets, liabilities, revenues and expenses with items of a similar nature on a line-by-line basis, from the date that joint control commences until the date that joint control ceases.

#### Associated companies

Associates are those entities in which TMG has a significant influence, but no control, over the financial and operating policies. Subsidiaries and joint ventures are no associated companies. The consolidated financial statements include TMG's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. TMG's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include TMG's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of TMG, from the date that significant influence or joint control commences until the date significant influence or joint control ceases. Impairment is accounted for immediately in the statement of comprehensive income. When TMG's share of losses exceeds its interest in the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that TMG has incurred legal or constructive obligations or made payments on behalf of an associate.

#### Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of TMG's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The results of the subsidiaries acquired or disposed of during the financial year are included in the consolidated financial statements as of the effective transaction date. If necessary, changes are made to the figures of subsidiaries to align the accounting principles with those of TMG.

#### Foreign currency

##### Foreign currency transactions

Transactions in foreign currencies are translated into euros at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to euros at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the

statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated at the exchange rate applying on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euros at foreign exchange rates ruling at the dates the fair value was determined.

#### **Financial statements of foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euros at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to euros at the date of the transaction. Foreign exchange differences arising on translation are recognised directly in a separate component of equity. Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is transferred to the statement of comprehensive income.

#### **Intangible assets**

##### **Goodwill**

Goodwill represents amounts arising on acquisitions of subsidiaries, joint ventures and associates.

In respect of acquisitions, goodwill represents the difference between the cost of the acquisition and the fair value of the identifiable assets liabilities and contingent liabilities acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is attributed to cash generating units and is not amortised. Instead, it is tested annually for impairment (see accounting policy impairments). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Whenever an interest in a subsidiary, associate or joint venture is sold, the corresponding goodwill is included in the determination of the result of the transaction. Negative goodwill that arises during an acquisition is included directly in the statement of comprehensive income. Acquisitions of non-controlling interests are accounted for as transactions with equityholders in their capacity as equityholders and therefore no goodwill is recognised as a result of such transactions.

##### **Other intangible assets**

Other intangible assets concern licences, (internally developed) software, trademarks and publishing rights. The other intangible assets acquired by TMG are stated at cost less accumulated amortisation (see below) and impairment losses (see accounting policy impairments). Expenditure for development activities, whereby the research results are applied to a plan or design for the production of new or substantially

improved products and processes, are capitalised if the product or process is technically and commercially feasible can be separately identified, the expenses are estimated reliably, and TMG has sufficient resources to complete the development. The capitalised costs comprise the cost of material, investments, direct labour and an appropriate proportion of overheads. With regard to the capitalised internal hours, a legal reserve is stated. Other development expenditure is recognised in the statement of comprehensive income as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation (see below) and impairment losses.

##### **Subsequent expenditure**

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. In that case, the costs are capitalised in so far as they increases the economic benefits.

##### **Borrowing costs**

Borrowing costs are capitalised on qualifying assets.

##### **Amortisation**

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

- trademarks and publishing rights 5 - 50 years
- licences 5 years
- software 3 - 5 years

The amortisation method and estimated useful lives are assessed annually.

##### **Lease**

Lease agreements, where TMG has substantially all the risks and rewards of ownership are classified as financial leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases, which assets are not recognised in TMG's statement of financial position.

## Property, plant and equipment

### Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see accounting policy impairments). Property, plant and equipment that is being constructed or developed for future use is stated at cost until construction or development is complete.

### Subsequent expenditure

TMG recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to TMG and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense when incurred.

### Borrowing costs

Borrowing costs are capitalised on qualifying assets.

### Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful life of each part of a property, plant and equipment. Land is not depreciated.

The estimated useful lives are as follows:

- buildings 20 - 25 years
- machinery and equipment 5 - 10 years
- other tangible fixed assets 3 - 5 years

The depreciation method, estimated useful life and residual value are assessed annually.

### Other receivables

Other receivables consist of prepaid operational leases and non-current receivables. Participations, in which TMG does significant influence, are valued at fair value or at cost. Prepaid operational leases comprise the purchased leaseholds of the land of the campus of Amsterdam. These are amortised on a straight-line basis over the duration of the leaseholds concerned. Non-current receivables are initially recorded at cost less attributable transaction costs. They are then capitalised at amortised cost, whereby a difference between the cost and the redemption amount on the basis of the effective interest method is included in the statement of comprehensive income over the duration of the receivables.

## Inventories

Inventories are stated at the lower of cost or net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the selling expenses. The cost of the inventories is based on the 'first in, first out' principle (FIFO) and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

## Securities

### Investments in debt instruments and shares

Financial instruments held for trading are classified as current assets and are stated at fair value, with any gain and loss recognised in the statement of comprehensive income. When TMG has the positive intent and ability to hold financial instruments to maturity, they are stated at amortised cost less impairment losses.

Other financial instruments held by TMG are classified as being available for sale and are stated at fair value, with any resulting gain or loss being recognised in the shareholders' equity, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss recognised directly to the shareholders' equity is recognised in the statement of comprehensive income.

Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the statement of comprehensive income. The fair value of the financial instruments classified as held for trading and available for sale is their quoted bid price at the balance sheet date. Financial instruments classified as held for trading or available for sale investments are recognised by TMG on the date it commits to purchase. Investments held to maturity are recognised on the day they are transferred to TMG and are removed from the statement of financial position on the day they are disposed of.

### Financial instruments

TMG, to a limited extent uses derivative financial instruments to hedge interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of comprehensive income.

Derivatives are recognised initially at cost; attributable transaction costs are recognised in the statement of comprehensive income when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for in the statement of comprehensive income. If the range of various estimates in fair value of financial instruments is substantial and the probabilities of the various estimates can not be reasonably assessed, the financial instrument is stated at cost instead of fair value less impairments, if any. TMG does not apply hedge accounting.

### Trade and other receivables

Trade and other receivables are stated at cost less impairment losses.

### Cash and cash equivalents

Cash comprises cash balances and call deposits.

### Impairments

The carrying amount of TMG's assets other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is an indication of impairment. If such indication exists, the asset's recoverable amount is estimated (see the policy for calculation of recoverable amount).

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date to determine whether there is an indication for impairment. An impairment loss is recognised whenever the carrying amount of an asset, or/of the cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Impairment losses recognised for cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

When a decline in the fair value of an available for sale financial asset has been recognised directly in the shareholders' equity,

and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of comprehensive income, even though the financial asset has been derecognised. The amount of cumulative loss that is recognised in the statement of comprehensive income is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income.

### Calculation of recoverable amount

The realisable value of TMG's investments in securities held to maturity and receivables valued at the amortised cost of acquisition is calculated as the present value of the expected future cash flows, discounted at the original effective interest rate (i.e. the effective interest calculated at the time at which these financial assets are initially entered). Receivables with a short residual term are not discounted to the present value. For the other assets and associates, the realisable value is the fair value less cost to sell, or the value in use if this is higher. When determining the value in use the present value of the estimated future flows is calculated using a pre-tax discount rate that reflects both the current market valuations of the time value of money and the specific risks related to the asset. For an asset that generates no cash receipts which are significantly independent of those of other assets, the realisable value is determined for the cash generating unit to which the asset belongs.

### Reversal of impairment

An impairment loss for a security held to maturity or a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. Impairment loss incurred on an unquoted equity instrument not valued at fair value, because its fair value cannot be reliably measured, shall not be reversed.

Impairment loss on goodwill will not be reversed. Impairments on non-quoted equity instruments (financial instrument), that is not carried on fair value, because its fair value cannot be reliably measured, will not be reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### Issued capital

TMG's ordinary shares are designated as the Company's equity.

### Minority interests

Minority interests are the portion of the profit and loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by TMG. In the event of both a written put and a call option on the shares, these shares will be included in TMG's economic interest, and not classified as a minority interest. The remaining interest is classified as a liability, based on the most realistic estimate.

### Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects and is recognised as a deduction from equity. For repurchased shares classified as treasury shares that are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings. Withdrawn shares are deducted from issued capital for nominal value, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

### Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at cost less attributable transaction costs. The borrowing costs are directly attributable to the qualifying asset. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost, with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

### Share-based remunerations

Share-based remunerations are valued at the (expected) present value of the shares owned by the management at vesting date.

The grant date fair value of shares granted to management is recognised and allocated to the period that the management is unconditionally entitled to sell the shares to TMG. Expenses are recognised when payment of shares is unconditional or realized.

In the event of both a written put and a call option on the shares, these shares will be included in TMG's economic interest. At the same time, a management obligation is included. The valuation is the discounted fair value of the shares at vesting date. Estimates of fair values are reassessed annually.

### Post-employment benefit liabilities

The group has established various pension schemes, some under its own management, with Stichting-Telegraafpensioenfond 1959 and some placed with external parties such as industry wide pension funds and insurance companies.

### a. Defined benefit plans

TMG's net obligation in respect of defined benefit plans is calculated separately for each scheme by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of plan assets are deducted hereon. The discount rate is the yield as at the balance sheet date on AAA credit rated bonds that have maturity dates approximating to the terms of TMG's obligations. The calculation is performed by a certified actuary using the 'projected unit credit' method. In respect of actuarial gains and losses that arise while calculating TMG's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain and loss exceeds 10 per cent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the statement of comprehensive income over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain and loss is not recognised.

Where the calculation results in a benefit to TMG, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the statement of comprehensive income.

The result ensuing from the curtailment or termination of a defined benefit plan is incorporated in the statement of comprehensive income immediately when the curtailment or termination exists. The result consists of the change in the present value of the defined benefit obligation and the fair value of plan assets and previous actuarial results and past service costs which have not been accounted for. A curtailment exists if there is a material reduction in the number of employees covered by the pension plan or if the plan changes substantially.

### b. Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income as incurred. Industry wide pension funds of which no reliable information is available, are stated as a defined contribution plans.

### Provisions

A provision is recognised in the statement of financial position when TMG has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic assets will be required to settle the obligation. If the

effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the specific risks related to the liability.

#### **Restructuring provision**

A provision for restructuring is recognised when TMG and the works council have approved a detailed and formalised restructuring plan and the restructuring has either commenced or has been announced publicly. TMG has no possibility to withdraw the reorganisation plan. Termination benefits are recognised as an expense when TMG is demonstrably committed to either terminating the employment of current employees and/or function categories.

To the extent they can be reliably estimated, benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

#### **Accounts payable and other current liabilities**

Accounts payable and other current liabilities are stated at cost.

#### **Determination of fair values**

A number of TMG's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **Property, plant and equipment**

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

#### **Intangible assets**

The fair value of publishing rights and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

#### **Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

#### **Derivatives**

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on terms and maturity of each contract and using market interest rates for similar instruments at the measurement date.

#### **Share based payment transactions**

The fair value of share based payment transactions is based on the expected cash value of the cash flow from the subsidiary. Factors affecting valuation include strike price of the instrument, the expected cash flow from the entity and the discount rate.

#### **Revenue**

The revenues exclude value added tax and after discounts. Revenues from the sale of goods are recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Revenues relating to services provided are included in the statement of comprehensive income in proportion to performance in the same financial year.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or when there is continuing management involvement with the goods.

#### **Barter transactions**

If advertisement space or time are exchanged or swapped for advertisement space or time which are similar as regards the nature, fair value and same target population, such an exchange is not recognised as a revenue-generating transaction. If this condition is not applicable, the exchange will be regarded as a transaction which generates revenue. The amount of the revenue is determined on the basis of the fair value of the goods or services received, plus or minus any cash or assets which have been received or paid which can be converted into cash, on short term. If the fair value of the received goods or services cannot be reliably determined, the revenue is determined on fair value of the exchanged goods or services plus or minus cash or assets which can be converted into cash, on short term.

#### **Government grants**

Government grants are recognised in the statement of financial position initially as received in advance and are recognised as income when there is reasonable assurance that it will be received and that TMG will comply with the conditions attached to it. Grants that compensate TMG for the expenses are recognised in the statement of comprehensive income on a systematic basis in the same period the expenses are made.

## Expenditure

### Lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease expense. Minimum lease payments from financial leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability. Conditional lease payments are incorporated by revising the minimal lease payments during the remaining lease term as soon as the adaptation of a lease is confirmed.

### Financial income and expenses

Result from associates concerns TMG's share in the total result of the associate, when TMG has significant influence. Result on the sale of the associate is stated on the date the transaction is effected.

The financial income and expenses comprise (the reversal of) impairment losses of associates and financial instruments (see accounting policy impairment losses).

The financial income and expenses comprise interest payable on borrowings calculated using the effective interest method, interest income on funds invested, dividend income and foreign exchange gains and losses.

Interest income and expenses are recognised in the statement of comprehensive income as it accrues using the effective interest calculation method. Dividend income is recognised in the statement of comprehensive income on the date of the entity's right to receive payments. Foreign currency gains and losses are reported on a net basis. Borrowing costs that are not directly attributable to an acquisition are recognised in the statement of comprehensive income using the effective interest method.

## Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in shareholders' equity, in which case it is recognised in shareholders' equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting

purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: non tax-deductible goodwill, the initial recording of assets or liabilities which affect neither the commercial nor the fiscal profit, and differences related to investments in subsidiaries in so far as these are probably not going to be settled in the foreseeable future. The amount of the provision for deferred tax liabilities is based on the way in which the carrying amount of the assets and liabilities is expected to be realised or settled, with the tax rates being used as determined on the balance sheet date, or to which a material decision has already been taken on the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The deferred tax liabilities and assets are netted if there is a legal entitlement to settle current and deferred tax, the income tax is charged by the same Tax Authorities and TMG intends to net the amounts.

## Segment reporting

An operating segment is a clearly distinguishable component of TMG that is engaged in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other TMG components. All operating segments' operating results are reviewed regularly by the Executive Board to make decisions about allocation of resources.

## Assets classified as held for sale and discontinued operations

On initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of the carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in the statement of comprehensive income, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement.

A discontinued operation is a component of TMG's business that represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view of resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

### Cash flow statement

The consolidated statement of cash flows is stated in accordance with the indirect method. A distinction is made between the operating, investment and financing activities. The cash flow from operating activities is adjusted for items in the statement of comprehensive income and changes in the statement of financial position which have no effect on the cash flow for the year.

### Effect of new accounting standards and interpretations not yet adopted

Certain new standards, amendments to standards and interpretations are not mandatory for TMG in 2009 and are not early adopted in these financial statements. The following standards are applicable on or after 1 January 2010 (unless otherwise stated) and will then be adopted by TMG:

- Improvements to IFRS 2009 – various standards
- IFRS 3 - Business Combinations (revised)
- IAS 27 amendment – Consolidated and Seperate Financial Statements
- IAS 37 amendment – Liabilities
- IFRS 2 amendment – Group-settled Share Based Payment Transactions
- IAS 32 amendment – Financial Instruments: Presentation – Classification of Rights Issues (1 February 2010)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (1 July 2010)
- IAS 24 (revised 2009) Related Party Disclosures (1 January 2011)
- IFRIC 14 amendment – The limit on a Defined Benefit assets, Minimum Funding Requirements and their Interaction (1 January 2011)

TMG expects that the adoption of these new standards, amendments to standards and IFRIC interpretations in the future will have no material impact on TMG's financial statements.



## 2. SEGMENT REPORTING

<i>In thousands of euros</i>	Telegraaf Media Nederland		Sky Radio Group	
	2009	2008	2009	2008
Revenue from third-party transactions	<b>496,029</b>	539,121	<b>41,662</b>	50,967
Revenue from transactions with other segments	<b>52</b>	607	<b>91</b>	64
<b>Total revenue</b>	<b>496,081</b>	539,728	<b>41,753</b>	51,031
Segment result before amortisation	<b>44,249</b>	25,042	<b>16,602</b>	24,722
Amortisation and impairment	<b>15,018</b>	12,430	<b>24,439</b>	23,903
<b>Operating result</b>	<b>29,231</b>	12,612	<b>-7,837</b>	819
Result from associates	<b>-433</b>	-1,131	-	795
Financial income	<b>119</b>	409	<b>26</b>	376
Financial expenses	<b>-342</b>	-943	<b>-1,175</b>	-1,841
Income tax	<b>7,529</b>	7,789	<b>-2,602</b>	-4,413
<b>Net result of continued operations</b>	<b>21,046</b>	3,158	<b>-6,384</b>	4,562
Gain on sale of discontinued operations, net of tax	<b>3,697</b>	-9,113	-	-
<b>Net result for the year</b>	<b>24,743</b>	-5,955	<b>-6,384</b>	4,562
Segment assets	<b>202,941</b>	175,341	<b>189,010</b>	219,720
Investments in associates	<b>51</b>	193	-	-
<b>Total assets at 31 December</b>	<b>202,992</b>	175,534	<b>189,010</b>	219,720
Segment liabilities	<b>142,914</b>	131,156	<b>48,935</b>	60,421
<b>Total liabilities at 31 December</b>	<b>142,914</b>	131,156	<b>48,935</b>	60,421
Segment investments	<b>8,032</b>	41,221	<b>167</b>	650
<b>Total investments</b>	<b>8,032</b>	41,221	<b>167</b>	650
<b>Total depreciation and amortisation</b>	<b>9,293</b>	10,504	<b>24,766</b>	24,502
Restructuring costs	<b>58</b>	29,780	<b>413</b>	-
Impairment loss intangible assets	<b>7,614</b>	4,139	<b>318</b>	-
<b>Other material non-cash items</b>	<b>7,672</b>	33,919	<b>731</b>	-
<b>Average number of FTEs</b>	<b>1,929</b>	2,045	<b>113</b>	112

### Operating segments

The group comprises the following main operating segments:

- **Telegraaf Media Nederland:** The publishing of national and regional newspapers, magazines and free door-to-doorpapers, internet activities and organising exhibitions.
- **Sky Radio Group:** The operation of several radio stations in the Netherlands.
- **Keesing Media Group:** The publishing of puzzle booklets and the operating of (digital) casual gaming activities.
- **Other activities:** Other activities include, amongst others, the printing and distribution of newspapers, provision of office space and related facilities, the provision of (internal) ICT services and mobile telephony services.
- **Headoffice / Elimination**

Keesing Media Group		Other activities		Headoffice / Eliminations		Total	Total
2009	2008	2009	2008	2009	2008	2009	2008
<b>48,541</b>	46,316	<b>25,608</b>	44,492	-	-	<b>611,840</b>	680,896
<b>76</b>	18	<b>213,885</b>	234,495	<b>-214,104</b>	-235,184	-	-
<b>48,617</b>	46,334	<b>239,493</b>	278,987	<b>-214,104</b>	-235,184	<b>611,840</b>	680,896
<b>11,478</b>	9,861	<b>-10,903</b>	-27,029	<b>-18,103</b>	-21,110	<b>43,323</b>	11,486
<b>4,159</b>	6,508	<b>1,836</b>	6,962	<b>741</b>	-988	<b>46,193</b>	48,815
<b>7,319</b>	3,353	<b>-12,739</b>	-33,991	<b>-18,844</b>	-20,122	<b>-2,870</b>	-37,329
-	-	-	-	<b>64,260</b>	-131,000	<b>63,827</b>	-131,336
<b>98</b>	990	<b>110</b>	41	<b>360</b>	13,818	<b>713</b>	15,634
<b>-585</b>	-1,149	<b>-1</b>	-36	<b>301</b>	-194,691	<b>-1,802</b>	-198,660
<b>1,148</b>	1,019	<b>-3,710</b>	-8,157	<b>-1,458</b>	-6,525	<b>907</b>	-10,287
<b>5,684</b>	2,175	<b>-8,920</b>	-25,829	<b>47,535</b>	-325,470	<b>58,961</b>	-341,404
<b>300</b>	281	-	-	<b>6,368</b>	-10,529	<b>10,365</b>	-19,361
<b>5,984</b>	2,456	<b>-8,920</b>	-25,829	<b>53,903</b>	-335,999	<b>69,326</b>	-360,765
<b>122,087</b>	126,065	<b>115,717</b>	146,126	<b>-3,936</b>	22,931	<b>625,819</b>	690,183
-	10	-	-	<b>136,926</b>	71,630	<b>136,977</b>	71,833
<b>122,087</b>	126,075	<b>115,717</b>	146,126	<b>132,990</b>	94,561	<b>762,796</b>	762,016
<b>20,742</b>	20,825	<b>33,325</b>	50,419	<b>47,583</b>	84,350	<b>293,499</b>	347,171
<b>20,742</b>	20,825	<b>33,325</b>	50,419	<b>47,583</b>	84,350	<b>293,499</b>	347,171
<b>2,529</b>	8,751	<b>4,505</b>	8,189	<b>-638</b>	557	<b>14,595</b>	59,368
<b>2,529</b>	8,751	<b>4,505</b>	8,189	<b>-638</b>	557	<b>14,595</b>	59,368
<b>4,518</b>	3,770	<b>14,268</b>	20,672	<b>631</b>	385	<b>53,476</b>	59,833
<b>341</b>	246	<b>4,516</b>	17,137	<b>57</b>	5,130	<b>5,385</b>	52,293
-	3,001	-	4,117	<b>701</b>	-987	<b>8,633</b>	10,270
<b>341</b>	3,247	<b>4,516</b>	21,254	<b>758</b>	4,143	<b>14,018</b>	62,563
<b>197</b>	177	<b>687</b>	865	<b>62</b>	85	<b>2,988</b>	3,284

The discontinued operations concern:

- in Telegraaf Media Nederland segment the activities of Telegraaf Tijdschriften Groep B.V. (except for Vrouw, Privé and Autovisie), Careermedia B.V. (Carp) and Media Librium B.V.
- in the Keesing Media Group segment the activities of Keesing Reference systems B.V.
- in the other activities segment TTG Sverige A.B., Telegraaf Media Ukraine and DataWire B.V.

Segment information is presented with respect to TMG's business and geographical segments. The primary segment base, the publishing segments, is based on the organisational management within TMG and the nature of the (publishing) activities. On a monthly basis, results are reported to the Executive Board to make decisions about performance and allocation of resources within the publishing segments. The facilitating activities such as printing, distribution and ICT are reviewed at Headoffice and not allocated to operating segments. The inter-segment pricing, principally the printing and distributing of newspapers and the support of ICT projects and -infrastructure, are determined on arm's length basis. Intercompany funding is unallocated. Segment results, assets and liabilities include items directly attributable to the segment as well as, those that can be allocated on reasonable basis. The decrease in revenue at Telegraaf Media Nederland and Sky Radio Group is caused by less advertisement revenues as a consequence of the economic recession. The investments of a segment include the total cost incurred during the reporting period for the acquisition of assets of the segment which are expected to be in use for more than one reporting period.

### Geographical segments

For the presentation of information based on geographical segments, the geographical location of the clients is used for the segment's revenues. The segments' non-current assets are determined on the basis of the geographical location of those non-current assets.

#### Revenues and non-current assets are divided in geographical segments as follows:

<i>In thousands of euros</i>	<b>2009</b>	
	<b>Revenues</b>	<b>Non-current assets<sup>1)</sup></b>
The Netherlands	<b>575,035</b>	<b>583,329</b>
Other countries	<b>36,805</b>	<b>1,560</b>
<b>Total</b>	<b>611,840</b>	<b>584,889</b>

<i>In thousands of euros</i>	2008	
	Revenues	Non-current assets <sup>1)</sup>
The Netherlands	644,239	578,284
Other countries	36,657	1,991
<b>Total</b>	<b>680,896</b>	<b>580,275</b>

<sup>1)</sup> *except for deferred tax assets.*

The revenues in other countries concern the publishing of puzzle magazines and newspapers.

### 3. BUSINESS COMBINATIONS

In 2009 no material acquisitions took place. For acquisitions of prior years the call option on the remaining interest of Nieuwsmedia B.V. (Geen Stijl) has been executed.

In 2009 the estimate of Webregio B.V., has been changed with an adjustment in the valuation and acquisition payables of this subsidiary. The adjustment has no significant influence on the financial position of TMG.

## 4. REVENUES

<i>In thousands of euros</i>	<b>2009</b>	2008
Advertisements	<b>277,277</b>	331,720
Circulation	<b>281,388</b>	276,558
Print third parties	<b>3,600</b>	6,184
Distribution	<b>16,622</b>	31,917
Other activities	<b>32,953</b>	34,517
<b>Total</b>	<b>611,840</b>	680,896

Revenues of 611,840 (2008: 680,896) include barter transactions of 1,330 (2008: 1,700). The distribution and printing third parties revenues declined due to the termination of printing and distribution contracts. The other activities consist among others of SMS-, gaming and internet activities.

## 5. OTHER OPERATING INCOME

<i>In thousands of euros</i>	<b>2009</b>	2008
Net gain on disposal of property, plant and equipment	<b>2,571</b>	2,868
Grants	<b>269</b>	1,000
Other	<b>62</b>	-
<b>Total</b>	<b>2,902</b>	3,868

## 6. RAW AND AUXILIARY MATERIALS

<i>In thousands of euros</i>	<b>2009</b>	2008
Paper and ink	<b>49,404</b>	53,754
Auxiliary materials	<b>3,152</b>	3,077
<b>Total</b>	<b>52,556</b>	56,831

## 7. PERSONNEL COSTS

<i>In thousands of euros</i>	Note	<b>2009</b>	2008
Wages and salaries		<b>160,137</b>	172,094
Compulsory social security contributions		<b>21,028</b>	24,855
Contributions to pension schemes	27	<b>18,849</b>	20,362
Other personnel costs		<b>23,247</b>	35,537
Restructuring costs	28	<b>5,385</b>	52,293
<b>Total</b>		<b>228,646</b>	305,141

The personnel costs decreased due to a FTE reduction programme which started in 2008, which is expected to be finished largely in 2010. The average number of employees (FTE) is 2,988 (2008: 3,284). Other personnel costs decreased because of less temporary personnel.

## 8. DEPRECIATION, AMORTISATION AND IMPAIRMENT

<i>In thousands of euros</i>	Note	2009	2008
Amortisation	14	<b>37,560</b>	38,545
Impairment intangible assets	14	<b>8,633</b>	10,270
Depreciation	15	<b>15,916</b>	21,288
<b>Total</b>		<b>62,109</b>	70,103

The intangible assets impairments mainly concern Bohil B.V., Weekbladen Groep Midden Nederland B.V., Nobiles Media B.V., and 402EVENTS.COM B.V. (2008: Nobiles Media B.V., Keesing Reference Systems B.V. and Mobilion B.V.).

## 9. OTHER OPERATING EXPENSES

<i>In thousands of euros</i>	2009	2008
Transport and distribution costs	<b>101,750</b>	116,156
Subcontracted work and technical production costs	<b>46,014</b>	50,863
Sales costs	<b>27,432</b>	29,936
Editorial costs	<b>20,295</b>	20,410
Impairment of trade receivables	<b>3,070</b>	4,557
Other	<b>75,740</b>	68,096
<b>Total</b>	<b>274,301</b>	290,018

The other operating expenses of 75,740 (2008: 68,096) consist of IT expenses 23,579 (2008: 23,907), housing expenses 16,702 (2008: 15,619) and other general expenses 35,461 (2008: 28,570).

## 10. FINANCIAL INCOME AND EXPENSE

<i>In thousands of euros</i>	2009	2008
Gain on sale of associates	<b>-440</b>	-370
Share of result associates	<b>8,267</b>	-12,478
Impairment losses	-	-118,488
Reversal of impairment losses	<b>56,000</b>	-
<b>Result from associates</b>	<b>63,827</b>	-131,336
Interest income	<b>713</b>	15,634
<b>Financial income</b>	<b>713</b>	15,634
Interest expenses	<b>-1,802</b>	-3,660
Impairment loss on financial instrument	-	-195,000
<b>Financial expenses</b>	<b>-1,802</b>	-198,660

On 25 September 2008 TMG acquired a 12% interest in ordinary shares with voting rights in ProSiebenSat.1 Media AG (economic interest: 6%). The associated company is valued based on the 'equity'-method. The share in the result of 8,670 (2008: 10,200 negative) in ProSiebenSat.1 Media AG is included in share of result associates.

In exchange for selling its interest in SBS Broadcasting S.à.r.l. in 2007, TMG received an option arrangement. As at 30 June 2008, an impairment loss was recognised of 185,000 on a put option (financial instrument). At the initial valuation of the participating interest an impairment of 10,000 has been recorded in 2008. Both impairments have been recorded as an impairment loss on financial instrument. At the end of 2008 an impairment loss was recognised on the associate ProSiebenSat.1 Media AG of 99,800. This impairment loss has been reversed for 56,000 at the end of December 2009 due to structurally improved expectations about future cash flows (see note 16).

In 2008, an impairment loss of 18,688 was included in result from associates related to Expomedia Plc. As at January 2009 this associate is in state of insolvency. The 20% interest is valued at nil.

## 11. INCOME TAX

<i>In thousands of euros</i>	Note	2009	2008
<b>Current tax</b>			
Current year		1,796	-724
Adjustment from prior years		165	-2,420
<b>Deferred tax</b>			
Origination and reversal of temporary differences	21	-8,010	-6,999
<b>Total income tax</b>		<b>-6,049</b>	<b>-10,143</b>
Tax on continued operations		907	-10,287
<b>Income tax from continued operations</b>		<b>907</b>	<b>-10,287</b>
Tax on discontinued operations	13	-7,649	47
Tax on gain on sale of discontinued operations	13	693	97
<b>Income tax from discontinued operations</b>		<b>-6,956</b>	<b>144</b>
<b>Total income tax</b>		<b>-6,049</b>	<b>-10,143</b>

<i>In thousands of euros</i>	2009	2008
Result continued operations before tax	59,868	-351,691
Result discontinued operations before tax	-4,070	-27,224
Gain on sale of discontinued operations, before tax	7,479	8,006
<b>Result before tax</b>	<b>63,277</b>	<b>-370,909</b>
Tax rate in the Netherlands	25.5%	25.5%
Income tax based on Dutch tax rate	16,136	-94,582
Effect of tax rate in foreign jurisdictions	6	-1,785
Non-deductible expenses	2,552	6,485
Tax exempt results	-19,134	83,569
Unrecognised losses carried forward	320	2,110
Advantage from unrecognised prior losses carried forward	-788	-1,128
Tax facilities	-296	-2,406
Other changes in tax rates	-	14
Over (under) provided prior years	165	-2,420
Losses realized on liquidation	-5,010	-
<b>Total</b>	<b>-6,049</b>	<b>-10,143</b>

The tax exempt results includes in 2009 the reversal on the impairment loss of ProSiebenSat.1 Media AG (2008: impairment loss on ProSiebenSat.1 Media AG and Expomedia Plc).

### Reconciliation of the effective tax rate

The effective tax rate on the result from all activities was negative 9.6% in 2009 (2008: positive 2.7%). The relationship between the tax rate in the Netherlands and the effective tax rate on continued operations is as follows:

<i>In percentages</i>	2009	2008
Dutch income tax rate	25.5	25.5
<b>Tax effects of:</b>		
- Deviating rates	0.0	0.5
- Tax-exempt results and non-deductible costs	-26.2	-24.3
- Losses realized on liquidation	-7.9	0.0
- Other effects	-1.0	1.0
<b>Effective tax rate</b>	<b>-9.6</b>	<b>2.7</b>

## 12. CURRENT TAX ASSETS AND LIABILITIES

The current tax asset of 352 (2008: 8,529) represents the amount of taxes recoverable in respect of current and prior periods.

The current tax liability of 7,287 (2008: 3,102) represents the income tax to be paid over current and prior years after deduction of payments.

## 13. DISCONTINUED OPERATIONS

At the end of 2009, TMG decided to sell the activities of Keesing Reference Systems B.V.

### Assets and liabilities held for sale

#### The Netherlands:

- Keesing Reference Systems B.V., a specialist provider of verification tools and solutions that allow international organisations to authenticate ID documents and banknotes.

At the end of 2008 TMG decided to dispose or terminate a number of less profitable activities, this includes:

### Sold 2009

#### The Netherlands:

- The magazines Elegance, Residence, Hitkrant, JAN, FHM, CosmoGirl! and Motoplus. The TTG titles Privé, Vrouw and Autovisie do not form part of this, because these titles are closely allied with the De Telegraaf daily newspaper and the markets served by that company. These titles are recorded under continued operations.
- The 84% interest in Media Librium B.V., market leader in digital out-of-home media.
- The 70% interest in DataWire Sport B.V., supplier of sport results and other sport information.

### Terminated 2009

#### The Ukraine:

- The portfolio of magazines, including the corresponding internet sites.

### Sold 2008

#### Sweden:

- On 2 December 2008, LRF Media, the third largest publisher of magazines in the Swedish market, acquired the operations of TTG Sverige A.B. The acquisition involved a portfolio of magazines and internet sites in the top segment of the home, interior and design, sailing, boating and golfing and women's magazine markets.

#### The Netherlands:

- Modefabriek B.V. and Ludique Events B.V.

### Terminated 2008

#### The Netherlands:

- The bi-weekly magazine Carp has been terminated and is replaced by Carp.nl.

The discontinued operations involve Telegraaf Media Nederland, Keesing Media group and other activities segments. The impairment losses in 2008 are related to all discontinued operations with the exception of TTG Sverige A.B. The impairment amounts to 14,401 in 2008 (2009: nil) and is recorded under expenses. The net cash flow and statement of financial position of discontinued activities relate to the sale of the assets and liabilities of The Netherlands and Ukraine (2008: assets and liabilities held for sale TTG Sverige A.B.).

<i>In thousands of euros</i>	Note	2009	2008
<b>Result of discontinued operations</b>			
Revenue		7,366	40,852
Wages and salaries		3,462	13,794
Compulsory social security contributions and pension schemes		650	2,906
Other personnel costs		17	2,032
Restructuring costs	28	78	1,121
Amortisation	14	103	607
Impairment intangible assets	14	-	14,401
Depreciation	15	333	1,481
Other operating expenses		6,160	29,795
<b>Total expenses</b>		<b>10,803</b>	<b>66,137</b>
<b>Result from discontinued operations</b>		<b>-3,437</b>	<b>-25,285</b>
Financial income and expense		-1,226	-1,938
Income tax		-7,649	47
<b>Results from operating activities, net of income tax</b>		<b>2,986</b>	<b>-27,270</b>
Gain on sale of discontinued operation		8,072	8,006
Tax on gain on sale of discontinued operations		693	97
<b>Net result for the year</b>		<b>10,365</b>	<b>-19,361</b>
Basic and diluted earnings per share (EUR) - discontinued operations		0.22	-0.40
<b>Cash flow of discontinued operations</b>			
Cash flow from operating activities		-5,359	-8,528
Cash flow from investing activities		1,453	-3,051
Cash flow from financing activities		1,308	13,551
<b>Net cash from discontinued operations</b>		<b>-2,598</b>	<b>1,972</b>

#### Overview sold assets and liabilities in 2009

<i>In thousands of euros</i>	2009	2008
Intangible assets	-1,274	-1,902
Property, plant and equipment	-937	-228
Non-current receivables	-102	-73
Trade and other receivables	-1,988	-1,859
Accounts payable and other current liabilities	6,360	3,077
Restructuring provision	1,349	-
Interest-bearing loans and other borrowings	628	199
<b>Net identifiable assets and liabilities</b>	<b>4,036</b>	<b>-786</b>
Cash received	5,695	8,855
Discontinued cash	-3,659	-63
<b>Net cash inflow</b>	<b>2,036</b>	<b>8,792</b>
<b>Consideration to receive</b>	<b>2,000</b>	-

## 14. INTANGIBLE ASSETS

<i>In thousands of euros</i>	Note	Trade- and publishing rights	Licences	Goodwill	Software	Assets under construction	Total
Cost		98,002	124,131	315,139	57,099	397	594,768
Amortisation		7,656	39,436	77,477	26,239	-	150,808
Impairment		4,195	-	510	9,652	-	14,357
<b>Carrying amount at 1 January 2008</b>		<b>86,151</b>	<b>84,695</b>	<b>237,152</b>	<b>21,208</b>	<b>397</b>	<b>429,603</b>
<b>Movements carrying amount</b>							
Investments		94	-	-	7,275	131	7,500
Acquisitions through business combinations		16,642	-	25,475	1,510	-	43,627
Divestments		-	-	-2,210	-	-	-2,210
Discontinued operations		-	-	-1,902	-	-	-1,902
Amortisation		-6,622	-23,883	-	-8,647	-	-39,152
Impairment loss		-2,719	-	-20,412	-1,540	-	-24,671
Assets under construction in use		-	-	-	103	-103	-
Effect of change in foreign currencies		-	-	-405	-43	-	-448
Transfer from assets held for sale		2,471	-	3,121	111	-	5,703
Transfer to assets held for sale		-224	-	744	-420	-113	-13
<b>Total movements</b>		<b>9,642</b>	<b>-23,883</b>	<b>4,411</b>	<b>-1,651</b>	<b>-85</b>	<b>-11,566</b>
Cost		116,942	124,131	322,284	65,512	312	629,181
Amortisation		14,235	63,319	59,799	34,763	-	172,116
Impairment		6,914	-	20,922	11,192	-	39,028
<b>Carrying amount at 1 January 2009</b>		<b>95,793</b>	<b>60,812</b>	<b>241,563</b>	<b>19,557</b>	<b>312</b>	<b>418,037</b>
<b>Movements carrying amount</b>							
Investments		<b>1,429</b>	-	<b>3,649</b>	<b>3,899</b>	<b>1,678</b>	<b>10,655</b>
Discontinued operations	13	<b>-850</b>	-	<b>-348</b>	<b>-76</b>	-	<b>-1,274</b>
Amortisation	8, 13	<b>-7,224</b>	<b>-24,094</b>	-	<b>-6,346</b>	-	<b>-37,664</b>
Impairment loss	8, 13	<b>-601</b>	-	<b>-8,032</b>	-	-	<b>-8,633</b>
Assets under construction in use		-	-	-	<b>774</b>	<b>-774</b>	-
Transfer to assets held for sale	21	<b>223</b>	-	<b>200</b>	<b>-184</b>	-	<b>239</b>
<b>Total movements</b>		<b>-7,023</b>	<b>-24,094</b>	<b>-4,531</b>	<b>-1,933</b>	<b>904</b>	<b>-36,677</b>
Cost		<b>115,365</b>	<b>124,131</b>	<b>270,868</b>	<b>65,564</b>	<b>1,216</b>	<b>577,144</b>
Amortisation		<b>19,080</b>	<b>87,413</b>	<b>4,882</b>	<b>36,748</b>	-	<b>148,123</b>
Impairment		<b>7,515</b>	-	<b>28,954</b>	<b>11,192</b>	-	<b>47,661</b>
<b>Carrying amount at 31 December 2009</b>		<b>88,770</b>	<b>36,718</b>	<b>237,032</b>	<b>17,624</b>	<b>1,216</b>	<b>381,360</b>

Trade names and publishing rights concern acquired trade names and publishing rights of Sky Radio Group and Keesing Media Group. Given the strong alliance between brand names and publishing rights, these items are not presented separately. The amortisation of the brand names (38,800) of Sky Radio Group is 50 years. The amortisation period of the other brand names and publishing rights ranges from 5 to 20 years.

The licences relate to the broadcasting rights of Sky Radio Group and are acquired under contract to 2011. The amortisation period amounts to 5 years. Licences include also the annual contributions of Sky Radio Group to the Telecom agency. The annual payments to the Telecom agency until 1 September 2011 are recognised for an amount of 10,978 (2008: 21,472). The related non-current liability is accounted for in note 25.

In 2009 a new estimate for Webregio B.V. caused an adjustment to the valuation of the acquisition payables. The adjustment is included in investments in Goodwill.

Goodwill through business combinations mainly relates to Sky Radio Group (97,327), Relatieplanet B.V. (16,302) and Keesing Media Group (74,700). In addition, 12,000 (2007: 12,000) relates to synergy effects of the Telegraaf Drukkerij Groep B.V. resulting from acquisitions. Goodwill is believed to be indefinite and is therefore not amortised.

All intangible assets have been acquired externally.

#### Intangible assets under construction

This includes information systems (partly self-developed) at Telegraaf Media Nederland B.V. The information systems will be in use in 2010.

#### Impairment test for cash-generating units

For the impairment test, intangible assets are allocated to cash-generating units, being the lowest level within TMG for which there are separately identifiable cash flows.

The carrying value of intangible assets attributed to the cash-generating units as at 31 December 2009 and 2008 is as follows:

## INTANGIBLE ASSETS

<i>In thousands of euros</i>	<b>2009</b>	2008
Telegraaf Media Nederland	<b>75,850</b>	84,868
Sky Radio Group	<b>176,505</b>	200,923
Keesing Media Group	<b>111,102</b>	113,092
Other activities	<b>14,842</b>	15,661
Unallocated	<b>3,061</b>	3,493
<b>Total</b>	<b>381,360</b>	418,037

## GOODWILL

<i>In thousands of euros</i>	<b>2009</b>	2008
Telegraaf Media Nederland	<b>50,387</b>	54,217
Sky Radio Group	<b>97,327</b>	97,327
Keesing Media Group	<b>74,700</b>	74,700
Other activities	<b>12,000</b>	12,000
Unallocated	<b>2,618</b>	3,319
<b>Total</b>	<b>237,032</b>	241,563

The recoverable amount of the cash-generating units is based on the value in use calculations. Cash-flow projections are based on actual operating results and cash flow forecasts, the budget 2010 and the long-term plans up to and including 2012. The cash flows after 2012, which are extrapolated on the basis of 0% growth, are also taken into account. The economic useful life is an estimate by the management relating to the expected cash-generating period of the investment. The forecast cash flows are discounted based on a pre-tax discount rate of 8.3% (2008: 8.3%). The discount rate and growth factors were determined on the basis of the risk profile for TMG as a whole. These assumptions have been applied to all cash-generating units in TMG. The values assigned to the key assumptions represent management's assessment of future trends in the media industry and are based on both external sources and internal sources (historical data). A modification in assumptions and estimates could have consequences for the recoverable amount of an asset and the expected economic lifetime with an effect on the statement of comprehensive income.

The impairment on intangible assets amounted 8,633 (2008: 24,671). An increase of 1% of the WACC would result in an additional impairment loss of 14,054 (2008: 9,000). The economic recession was stronger than expected in 2008 and as a consequence the future cash flows of Nobiles Media B.V., Bohil B.V. 402EVENTS.COM B.V. and Weekbladen Groep Midden Nederland B.V. will develop at lower levels in the coming three to five years. These subsidiaries are part of Telegraaf Media Nederland.

## 15. PROPERTY, PLANT AND EQUIPMENT

<i>In thousands of euros</i>	Note	Land and buildings	Machines and installations	Other tangible fixed assets	Assets under construction	Total
Cost		190,762	238,233	98,052	579	527,626
Depreciation		131,505	205,176	78,790	-	415,471
<b>Carrying amount at 1 January 2008</b>		<b>59,257</b>	<b>33,057</b>	<b>19,262</b>	<b>579</b>	<b>112,155</b>
<b>Movements carrying amount</b>						
Investments		729	23	6,578	453	7,783
Acquisitions through business combinations		65	45	348	-	458
Divestments		-934	-8	-871	-57	-1,870
Discontinued operations		-	-	-229	-	-229
Depreciation		-6,520	-8,493	-7,756	-	-22,769
Assets under construction in use		-	-	215	-215	-
Effect of change in foreign currencies		-21	-	-76	-6	-103
Transfer from assets held for sale		40	3	12	-	55
Transfer to assets held for sale		-9,008	-	-655	-14	-9,677
<b>Total movements</b>		<b>-15,649</b>	<b>-8,430</b>	<b>-2,434</b>	<b>161</b>	<b>-26,352</b>
Cost		162,107	238,298	89,826	740	490,971
Depreciation		118,499	213,671	72,998	-	405,168
<b>Carrying amount at 1 January 2009</b>		<b>43,608</b>	<b>24,627</b>	<b>16,828</b>	<b>740</b>	<b>85,803</b>
<b>Movements carrying amount</b>						
Investments		<b>495</b>	<b>1,165</b>	<b>2,211</b>	<b>69</b>	<b>3,940</b>
Divestments		<b>-178</b>	<b>48</b>	<b>-10,950</b>	<b>-</b>	<b>-11,080</b>
Discontinued operations	13	<b>-37</b>	<b>-</b>	<b>-886</b>	<b>-14</b>	<b>-937</b>
Depreciation	8, 13	<b>-4,932</b>	<b>-7,400</b>	<b>-3,861</b>	<b>-</b>	<b>-16,193</b>
Impairment loss	8, 13	<b>-</b>	<b>-</b>	<b>-55</b>	<b>-</b>	<b>-55</b>
Assets under construction in use		<b>738</b>	<b>-</b>	<b>-</b>	<b>-738</b>	<b>-</b>
Transfer to assets held for sale	21	<b>-1,947</b>	<b>-</b>	<b>1,103</b>	<b>12</b>	<b>-832</b>
<b>Total movements</b>		<b>-5,861</b>	<b>-6,187</b>	<b>-12,438</b>	<b>-671</b>	<b>-25,157</b>
Cost		<b>160,272</b>	<b>238,697</b>	<b>66,086</b>	<b>69</b>	<b>465,124</b>
Depreciation		<b>122,525</b>	<b>220,257</b>	<b>61,641</b>	<b>-</b>	<b>404,423</b>
Impairment		<b>-</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>55</b>
<b>Carrying amount at 31 December 2009</b>		<b>37,747</b>	<b>18,440</b>	<b>4,390</b>	<b>69</b>	<b>60,646</b>

Property, plant and equipment consists of land and buildings, machines and installations of the printing facility and other equipment. In 2009 the passenger car fleet of TMG was sold to Terberg Leasing B.V. Simultaneously with the sale to Terberg Leasing B.V. an operational lease agreement was concluded for the passenger car fleet.

The value of the land and buildings based on the Real Estate Appraisal Act amounts to approximately 99,371 (2008: 106,700).

### Assets under construction

The 'assets under construction' item concerns machines and/or installations at Telegraaf Drukkerij Groep B.V. The assets are almost fully in use in 2009.

## 16. INVESTMENTS IN ASSOCIATED COMPANIES

TMG has the following investments in associated companies:

<i>In thousands of euros</i>	Location	2009	2008
<b>Participations</b>			
ProSiebenSat.1 Media AG <sup>1)</sup>	Munich	<b>6.0%</b>	6.0%
De Nationale Regiopers B.V./C.V.	Almere	<b>15.8%</b>	14.0%
Expomedia Plc <sup>2)</sup>	London	<b>20.0%</b>	20.0%
AM van Gaal Media B.V.	Amsterdam	<b>20.0%</b>	20.0%
Media Menu Beheer B.V. / Media Menu C.V.	Groningen	<b>33.3%</b>	33.3%
6Pack B.V.	Amsterdam	<b>0.0%</b>	49.2%
Dutch Creative Industry Fund B.V.	Amsterdam	<b>40.0%</b>	40.0%

<sup>1)</sup> economic interest 6%, voting rights 12%

<sup>2)</sup> in state of insolvency during 2009

<b>Carrying value</b>			
ProSiebenSat.1 Media AG <sup>1)</sup>		<b>136,752</b>	72,082
Other		<b>224</b>	-249
<b>Total</b>		<b>136,976</b>	71,833

Summary financial information associated companies - figures are based on 100% participation:

<i>In thousands of euros</i>	Assets	Liabilities	Shareholders' equity	Revenues	Result
<b>2009</b>					
ProSiebenSat.1 Media AG <sup>1)</sup>	<b>6,174,735</b>	<b>5,593,902</b>	<b>580,833</b>	<b>2,760,840</b>	<b>144,538</b>
2008					
ProSiebenSat.1 Media AG	5,929,869	5,450,946	478,923	3,054,241	-129,141
Expomedia Plc	697	10,941	-10,244	-	-

<sup>1)</sup> Based on preliminary, unaudited, Q4 figures of ProSiebenSat.1 Media AG.

### ProSiebenSat.1 Media AG

On 25 september 2008 TMG acquired the 12% interest (6% economic interest) in ordinary shares with voting rights of ProSiebenSat.1 Media AG. Although TMG owns less than 20% of the voting shares, it has, after the acquisition of the share at 25 September 2008 evident significant influence on operational and financial policy of ProSiebenSat.1 Media AG. TMG has voting rights in the general meeting of shareholders to decide on possible dividend payments as well as one of the nine membership positions in the Supervisory Board. Furthermore TMG has a membership in a subcommittee. Given the governance structure of ProSiebenSat.1 Media AG a substantial number of decisions require approval from the Supervisory Board. The 12% interest in ordinary shares with voting rights of ProSiebenSat.1 Media AG, equals 6% economic interest and is stated as an associate. On 25 September 2008 TMG received the 12% interest after obtaining approval and a payment of 377,082. In 2008 an impairment loss has been recorded on the financial instrument of 195,000.

The movements in the associated company ProSiebenSat.1 Media AG as from the acquisition per 25 September 2008 are as follows:

*In thousands of euros*

<b>Carrying value associate ProSiebenSat.1 Media AG as at 25 September 2008</b>	<b>182,082</b>
Share in result associate	-10,200
Impairment associate	-99,800
<b>Carrying value associate ProSiebenSat.1 Media AG as at 1 January 2009</b>	<b>72,082</b>
Reversal of Impairment associate	56,000
Share in result associate	8,670
<b>Carrying value associate ProSiebenSat.1 Media AG as at 31 December 2009</b>	<b>136,752</b>

The ordinary shares ProSiebenSat.1 Media AG with voting rights (non-listed), owned by TMG, amounted at the end of 2009 and 2008 13,127,832.

#### **Valuation as per 31 December 2009**

When assessing the valuation of the associated company ProSiebenSat.1 Media AG as per 31 December 2009, TMG analysed whether there were indications for an impairment loss or reversal of an impairment loss. The expected future cash flows of ProSiebenSat.1 Media AG increased compared to the prior year. TMG estimated the expected future cash flows of ProSieben Sat.1 Media AG based on assumptions of available market data. After the transition year 2010, TMG expects a recurring EBITDA growth rate of 5% for 2011 and 2012 and 1.5% for the years thereafter. The pre-tax discount rate used is 9.84%, whereby an adjustment of the discount rate by 1% will significantly impact the valuation. A discount factor of 25% has been applied to listed preference shares in relation to the ordinary voting shares. TMG concluded that there were objective indications, to reverse 56,000 of the impairment loss 2008 on the associated company, in 2009. It is sufficiently certain that the improvements in result and cash flows will sustain. In accordance with IFRS guidelines, TMG has valued its equity interest in ProSiebenSat.1 Media AG at the higher of the calculated value in use and the fair value. The reversal of the impairment loss is recorded through the statement of comprehensive income.

#### **Valuation as per 31 December 2008**

When assessing the valuation of the associated company as per 31 December 2008, TMG calculated its interest based on the present value of the expected future cash flows of ProSiebenSat.1 Media AG. In view of the significant variance in assumptions used by the market, TMG did not only rely on assumptions of available observable market data. TMG based the future cash flows on the expected future cash flows in the budget 2009 of ProSiebenSat.1 Media AG, taking into account lower economic developments. Furthermore, TMG calculated the present value of the estimated future cash flows that are expected to be generated from the dividends paid on the investment and by the ultimate sale.

In accordance with IFRS guidelines, TMG has valued its equity interest in ProSiebenSat.1 Media AG at the higher of the calculated value in use and the fair value. The impairment loss at the end of 2008 was 99,800 and was recognized as an impairment of an associate. A future reversal of the impairment loss will be recorded through the statement of comprehensive income.

#### **Financial instrument**

In exchange for selling its interest in SBS Broadcasting S.a.r.l. in 2007, TMG concluded an option arrangement (call and put option) on 12% of the ordinary shares with voting rights of ProSiebenSat.1 Media AG.

At 30 June 2008 the range and probability of valuations were too diverse to ascertain reliable fair value for the put option and TMG obtained objective indications that the lower valuation would sustain. Based on these assumptions TMG adjusted its expectations to future cash flows and the discount rate of ProSiebenSat.1 Media AG compared to 31 December 2007. The impairment loss on the put option amounted to 185,000 as per 30 June 2008. The impairment loss cannot be reversed. At the end of 2008 TMG finalised the valuation as at 25 September 2008, based on the same method as at 30 June 2008. The valuation resulted in an impairment loss of 10,000. The impairment loss cannot be reversed.

On 25 September 2008 the put option changed in 12% ordinary shares with voting rights ProSiebenSat.1 Media AG. The valuation method was consistently applied from July 2007 to 25 September 2008. For the valuation several assumptions have been used based on observable market data and internal information. Adjustments to one or more assumptions could have a significant impact on the estimated present value, during the term of the financial instrument. The valuations and sensitivity of the calculations were extensively disclosed in the (semi-) annual report 2008.

### Other investments in associated companies

The 15.8% interest (2008: 14.0%) in the Nationale Regiopers is a partnership with other regional newspaper publishers in the Netherlands for advertising sales. As a consequence of the economic interest and the membership in the Supervisory Board of Nationale Regiopers, TMG has significant influence.

As a consequence of the worldwide weakening of the macroeconomic environment, the results of Expomedia Plc were under pressure in 2008, therefore refinancing of the business in December 2008 could not be realised. Since December 2008 Expomedia Plc is in state of insolvency. Since 2009 the firm has been in receivership. TMG's 20% interest in Expomedia Plc is valued at nil.

TMG's share in the total profit or loss from the above-mentioned associated companies over 2009 amounts to 8,267 (2008: -12,478). Associated companies with cumulative losses are valued at nil. All negative results of associates are recorded in the statement of comprehensive income.

## 17. OTHER RECEIVABLES

<i>In thousands of euros</i>	<u>2009</u>	<u>2008</u>
<b>Non-current receivables</b>		
Prepaid operational lease	<b>2,687</b>	2,506
Non-current receivables	<b>3,220</b>	2,096
<b>Total</b>	<b>5,907</b>	4,602

The non-current receivables increased due to a receivable from discontinued operations.

## 18. INVENTORIES

<i>In thousands of euros</i>	<u>2009</u>	<u>2008</u>
Raw materials	<b>12,948</b>	16,661
Auxiliary materials	<b>1,788</b>	1,756
<b>Total</b>	<b>14,736</b>	18,417

No impairments are stated on inventories in 2009 and 2008. The carrying value is considered to reflect the fair value.

## 19. TRADE AND OTHER RECEIVABLES

<i>In thousands of euros</i>	<u>2009</u>	<u>2008</u>
Trade receivables	<b>64,656</b>	75,206
Other receivables	<b>4,773</b>	6,687
Prepayments and accrued income	<b>11,369</b>	11,331
<b>Total</b>	<b>80,798</b>	93,224

Trade receivables are shown net of impairment losses. During the current year, such losses amounted to 3,070 for bad debts (2008: 4,557). For more information see note 31, Financial risk management.

### Fair value

For current receivables, the nominal value is considered to reflect the fair value.

## 20. CASH AND CASH EQUIVALENTS

<i>In thousands of euros</i>	2009	2008
Bank	56,506	33,592
<b>Total</b>	<b>56,506</b>	<b>33,592</b>

At balance sheet date no cash (2008: nil) was placed in deposits. The fair value is deemed equal to the nominal value.

## 21. ASSETS AND LIABILITIES HELD FOR SALE

<i>In thousands of euros</i>	2009	2008
<b>Assets</b>		
Intangible assets	253	492
Property, plant and equipment	11,884	10,546
Financial fixed assets	-	1,976
Inventories	59	5
Trade receivables and other receivables	876	3,315
Cash	1,810	2,507
<b>Total</b>	<b>14,882</b>	<b>18,841</b>

<i>In thousands of euros</i>	2009	2008
<b>Liabilities</b>		
Interest-bearing loans and borrowings	95	875
Accounts payables and other current liabilities	2,409	4,359
Restructuring provision	79	1,121
<b>Total</b>	<b>2,583</b>	<b>6,355</b>

The property, plant and equipment concern company premises of subsidiaries classified as held for sale.

Keesing Reference Systems B.V. is classified as assets and liabilities held for sale at the end of 2009 and will be sold in 2010. The subsidiaries held for sale in 2008 concern Datawire B.V., Media Librium B.V., Telegraaf Tijdschriften Groep B.V. (excluding the titles Vrouw, Privé and Autovisie) and Telegraaf Media Ukraine. The expected fair value of these assets is equal to or higher than the carrying value. The subsidiaries concerned are sold in 2009. The assets and liabilities held for sale concern the segments Telegraaf Media Nederland, Keesing media Group and other activities.

## 22. SHAREHOLDERS' EQUITY

### Issued capital

At 31 December 2009 the authorised share capital comprised 79,999,040 ordinary shares, 80,000,000 preference shares and 960 priority shares, which were issued and paid up as follows:

<i>Number of shares</i>	2009		2008	
	Ordinary shares	Priority shares	Ordinary shares	Priority shares
On issue as at 1 January	50,000,000	960	50,000,000	960
Shares withdrawn	2,250,000	-	-	-
<b>On issue at 31 December - fully paid</b>	<b>47,750,000</b>	<b>960</b>	<b>50,000,000</b>	<b>960</b>
Number of repurchased shares as at 31 December	-	-	2,250,000	-
<b>Number of outstanding shares as at 31 December</b>	<b>47,750,000</b>	<b>960</b>	<b>47,750,000</b>	<b>960</b>

All shares have been paid up and have a nominal value of € 0.25. No preference shares have been issued. In the financial year no ordinary shares were repurchased (2008: 47,030). These shares are stated as treasury shares.

The holders of ordinary shares and priority shares receive a maximum primary dividend of five percent of the nominal amount of the shares, if the profit is sufficient. If the profit does not allow this, any deficit is charged to the distributable reserves within the shareholders' equity. The remaining profit is at the disposal of the meeting of shareholders.

The holders of ordinary shares and priority shares are entitled to cast one vote per share during the meeting. Each TMG shareholder has access to the meeting of shareholders and the right to cast a vote. A summary of the legal and statutory provisions relating to the appropriation of the profit and the other statutory rights associated with the ordinary shares, priority shares and preference shares is included under 'Other Information' on page 96.

The right to issue TMG preference shares is granted by Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V. to Stichting Preferente aandelen Telegraaf Media Groep N.V. TMG has an option to issue preference shares, which will then be managed by Stichting Preferente aandelen Telegraaf Media Groep N.V. At present, no preference shares have been issued. The provisions in the articles of association governing returns on preference shares are in line with the market. The option to issue preference shares is valued at nil.

#### Translation reserve

The translation reserve has been realised in 2009 due to a formal termination of the activities in Sweden and the Ukraine (2008: -594). The reserve comprised all the foreign exchange differences arising from the translation of the financial statements of foreign (discontinued) operations in Sweden and the Ukraine.

#### Repurchased shares

On the balance sheet date, the Company had (2008: 2,250,000) repurchased own ordinary shares. The repurchased shares 2008 were withdrawn in August 2009. The cost of in 2008 repurchased ordinary shares and in 2009 withdrawn ordinary shares was 47,030.

## 23. DIVIDEND

**In the year under review TMG paid out the dividend for the prior financial year determined by the meeting of shareholders:**

<i>In thousands of euros</i>	<u>2009</u>	2008
€ 0.35 per (depository receipt for an) ordinary share (2008: € 1.00)	<b>16,713</b>	47,750

As regards the 960 priority shares, 5% of the nominal amount was paid out as dividend.

**After 31 December 2009, the Executive Board made the following dividend proposal for 2009:**

<i>In thousands of euros</i>	<u>2009</u>
€ 0.35 per (depository receipt for an) ordinary share (2008: € 0.35)	<b>16,713</b>

The dividends have not been provided for and there are no income tax consequences.

## 24. EARNINGS PER SHARE

### Basic earnings per share

The calculation of the basic earnings per share as at 31 December 2009 is based on the result attributable to ordinary shareholders of 70,505 (2008: -359,988) and a weighted average number of ordinary shares which has been outstanding during 2009 of 47,750,000 (2008: 48,041,840), as shown below:

<i>In thousands of euros</i>	2009	2008
<b>Earnings per share</b>		
Result attributable to equityholders of ordinary shares in Telegraaf Media Groep N.V.	<b>70,505</b>	-359,988
Weighted average number of ordinary shares	<b>47,750,000</b>	48,041,840
Basic earnings per share (EUR)	<b>1.48</b>	-7.49

### Diluted earnings per share

The calculation of the diluted earnings per share at 31 December 2009 is based on the result attributable to ordinary shareholders of 70,505 (2008: -359,988) and a weighted average number of ordinary shares, after adjustment in line with all potential diluting effects on the ordinary shares, which has been outstanding during 2009, of 47,750,000 (2008: 48,041,840). No shares were diluted in 2008 and 2009.

## 25. INTEREST-BEARING LOANS AND BORROWINGS

This note provides information on the contractual terms of TMG's interest-bearing loans and borrowings. For more information about TMG's exposure to interest rate and foreign currency risk, see note 31.

<i>In thousands of euros</i>	2009		
	Total	Current	Non-current
Interest-bearing loans	<b>11,166</b>	-	<b>11,166</b>
Acquisition payables	<b>8,261</b>	<b>850</b>	<b>7,411</b>
Other financing	<b>11,019</b>	<b>10,978</b>	<b>41</b>
<b>Total</b>	<b>30,446</b>	<b>11,828</b>	<b>18,618</b>

<i>In thousands of euros</i>	2008		
	Total	Current	Non-current
Interest-bearing loans	11,094	800	10,294
Acquisition payables	10,078	3,842	6,236
Other financing	21,917	11,205	10,712
<b>Total</b>	<b>43,089</b>	<b>15,847</b>	<b>27,242</b>

Non-current Interest-bearing loans and borrowings of 11,828 (2008: 15,847) are classified as current liabilities.

*In thousands of euros*

	Currency	Nominal interest rate	Nominal value	Year of maturity	Carrying amount 2009	Carrying amount 2008
<b>Interest-bearing loans</b>						
Shareholders loan Veronica Holding B.V. to Sienna Holding B.V.	EUR	4.1% (2008 5.5%)	8,400	-	<b>10,219</b>	9,734
Keesing bank loan	EUR	3-M Euribor	10,000	2009	-	800
Other loans	EUR	-	-	-	<b>947</b>	560
<b>Total</b>					<b>11,166</b>	11,094
<b>Acquisition payables</b>						
Shares Sienna Holding B.V.	EUR	-	-	2010-2011	<b>1,393</b>	1,393
Shares Keesing Media Group B.V.	EUR	-	-	2010	<b>710</b>	1,421
Shares other acquisitions	EUR	-	-	2009-2013	<b>6,158</b>	7,264
<b>Total</b>					<b>8,261</b>	10,078
<b>Other financing</b>						
Non-current liabilities: Sky Radio Group licences	EUR	-	-	2009-2010	<b>10,978</b>	21,472
Other non-current liabilities	EUR	-	-		<b>41</b>	445
<b>Total</b>					<b>11,019</b>	21,917

#### Terms and debt repayment schedule

The Keesing Media Group bank loan, totalling 800, has a linear repayment and has been fully repaid in 2009. For all loans, the effective interest is equal to the nominal interest.

#### Acquisition payables

For an explanation of the valuation of Sky Radio management shares, please refer to note 26. The management is entitled to offer shares to TMG as of the date of maturity. TMG has the obligation to buy these shares, if management exercises this put option, from that date.

The management shares of Keesing Media Group do not involve any share-based remunerations given that the purchase price is the same as the strike price. In 2009 a first tranche of the management shares Keesing Media Group was bought by TMG.

Further to acquisitions made in 2008, TMG has outstanding commitments for Nobiles Media B.V. and various other acquisitions. In 2009 a new estimate for Webregio B.V. caused an adjustment to the valuation of the goodwill and acquisition payable.

#### Other financing

Non-current liabilities relating to the licences of Sky Radio Group involve annual payments to the Telecom agency until 1 September 2011. Besides the payment of a one-time fee to acquire the licensing rights, Sky Radio Group has also an obligation to make annual payments to the Telecom agency. The annual payments to Telecom are listed under intangible assets for 10,978 (2008: 21,472). The intangible assets are amortised over the contractual period. The interest payments associated with financial liabilities are recorded as financial charges, while the annual payment is deducted from the non-current liability. The fair value of the liabilities does not differ materially.

## 26. SHARE-BASED REMUNERATIONS

The management of Sky Radio Group has share-based remunerations:

<i>In euros</i>	Number of shares	Bid price per share on acquisition date	Fair value per share on balance sheet date	Due date
Sienna Holding B.V.	211	490	1,469	01-03-2010
Sienna Holding B.V.	737	490	1,469	01-03-2011

The fair value share price has been determined in accordance with a pre-determined formula. The fair value per share on the balance sheet date is estimated and is based on future cash flows. The expense in the statement of comprehensive income of these share based remunerations amounted to 197 (2008: 306). Management has a put option to sell the shares on due date to TMG.

Good leaver, bad leaver conditions have been agreed with the management relating to the period up until the date of maturity.

## 27. POST-EMPLOYMENT BENEFIT LIABILITIES

<i>In thousands of euros</i>	2009	2008	2007	2006	2005
Present value of unfunded obligations	<b>6,057</b>	7,221	9,814	23,055	18,892
Present value of funded obligations	<b>37,163</b>	37,374	38,481	23,975	167,420
<b>Present value of obligations</b>	<b>43,220</b>	44,595	48,295	47,030	186,312
Fair value of plan assets	<b>-16,135</b>	-15,745	-17,337	-20,498	-148,226
<b>Present value of net obligations</b>	<b>27,085</b>	28,850	30,958	26,532	38,086
Unrecognised actuarial gains and losses	<b>-153</b>	527	-1,274	-1,552	20,057
<b>Recognised liability for defined benefit obligations</b>	<b>26,932</b>	29,377	29,684	24,980	18,029
<i>In thousands of euros</i>	<b>2009</b>	2008	2007		
Experience adjustments arising on plan liabilities	<b>-4,381</b>	1,130	3,644		
Experience adjustments arising on plan assets	-	-	-		
Adjusted assumptions plan liabilities	<b>3,980</b>	1,894	929		

### Gross commitment for defined benefit pension rights

TMG contributes to three defined benefit pension schemes on the basis of which employees of TMG in the Netherlands are paid pension benefits after retirement. This concerns pension schemes of Sky Radio Group and Keesing Media Group (free-premium part till 31 December 2007) and part of the Amsterdam and Alkmaar companies of TMG. As of 1 January 2008 the pension scheme of Keesing Media Group and as of 1 October 2009 the average salary scheme of Sky radio Group were brought under management of Stichting-Telegraafpensioenfond 1959. The transfer has no significant financial consequences for TMG.

In determining the provision, account is taken of other employee schemes including allowances for the healthcare costs of retired employees, early retirement and anniversary schemes. In 2005, the Stichting-Telegraafpensioenfond 1959 plan was changed from a defined benefit scheme to a defined contribution scheme, giving rise to a release in the employee benefits. The release of provisions (or investments) through discontinued activities in 2006 came about due to the sale of the Limburg activities. In 2008, the scheme for pension premium supplementary (including the risk) at disability were brought under management of Stichting-Telegraafpensioenfond 1959, for which a release in the liability (or investments) resulted.

### The principle actuarial assumptions at the balance sheet date are:

<i>In weighted averages</i>	2009	2008
Discount rate at 31 December	4.9%	5.6%
Expected return on plan assets at 31 December	5.5%	6.1%
Future salary increases	1.5%	2.5%
Adjustment for inflation	2.0%	2.0%
Increase in social security benefits	1.5%	2.0%

The expected return on plan assets is the weighted average expected return, based on the expected investment mix of shares (40%), and fixed-interest securities (60%). The actual return in 2009 amounted 13.3% (2008: -11.6%) on investments at Stichting-Telegraafpensioenfonds 1959.

### Movements in obligation for defined benefit pension schemes

<i>In thousands of euros</i>	Note	2009	2008
As at 1 January		44,595	48,295
Service costs		1,045	1,556
Past service costs		-432	3,495
Interest expenses		2,101	2,184
From restructuring provision	28	6,602	6,419
Actuarial losses (gains)		403	-3,593
Release of provisions due to scheme reduction		-2,635	-3,841
Payments		-8,459	-9,920
<b>As at 31 December</b>		<b>43,220</b>	<b>44,595</b>

### Movements in fair value of plan assets

<i>In thousands of euros</i>	2009	2008
As at 1 January	15,745	17,337
Contributions	11,659	10,585
Expected return	707	895
Actuarial gains (losses)	-2,661	-1,789
Release of investments due to scheme reduction	-856	-1,637
Payments	-8,459	-9,646
<b>As at 31 December</b>	<b>16,135</b>	<b>15,745</b>

### The plan assets consist of the following:

<i>In thousands of euros</i>	2009	2008
Property shares	446	322
Shares	3,491	2,513
Bonds	6,273	5,855
Deposits	16	209
Plan assets with insurance companies	5,909	6,846
<b>As at 31 December</b>	<b>16,135</b>	<b>15,745</b>

The increase in changes of the liabilities (or investments) is caused by new early retirement schemes from the restructuring provision.

The following funds, which also qualify as defined benefit schemes, have informed TMG that they are not able to provide us with any details for the calculation of (our share in) surpluses or deficits:

- Pensioenfonds Grafische Bedrijven (pension scheme for employees in the printing and allied trades).
- Stichting bedrijfstakpensioenfonds voor het beroepsvervoer over de weg (pension scheme for the goods haulage sector).
- Stichting vrijwillig vervroegde uitkering voor het beroepsgoederenvervoer over de weg en de verhuur van mobiele kranen (early retirement scheme for employees in the goods haulage sector and the rental of mobile cranes).
- Stichting Prepensioenfonds voor het beroepsgoederenvervoer over de weg en de verhuur van mobiele kranen (pre-pension scheme for employees in the goods haulage sector and the rental of mobile cranes).

These plans qualify as defined pension schemes but are processed as defined contribution plans. TMG is not responsible for any shortfall in an early retirement/pension plan, nor is it required to make up any shortfall. The same applies to the sectorial plan concerning the pre-pension of newspaper journalists. The referenced sectorial plans in general had a coverage ratio of below 105% at the end of 2008. De Nederlandsche Bank (DNB) requires that recovery plans be prepared to address this issue. Foundations concerned prepared a recovery plan and submitted it to DNB. The possibility that the future pension contributions for the relevant schemes will be increased cannot be precluded.

TMG estimates the contributions to be paid under the defined benefit schemes during 2010 at 8,311 (2009: 8,401), as far as can be estimated reasonably.

#### Employee benefit expenses in the statement of comprehensive income:

<i>In thousands of euros</i>	Note	2009	2008
Pension costs allocated to the year of service		1,045	1,556
Past service cost		-432	3,495
Interest on the liability		2,101	2,184
Expected return on plan assets		707	-895
Amortisation unrecognised gains/losses		842	-1,224
<b>Total contribution to defined benefit schemes</b>		<b>4,263</b>	<b>5,116</b>
Result on account of curtailment/termination		-1,779	-2,207
Contribution to defined contribution schemes		16,365	17,453
<b>Total</b>	7	<b>18,849</b>	<b>20,362</b>

## 28. RESTRUCTURING PROVISION

<i>In thousands of euros</i>	Note	2009	2008
Balance as at 1 January		54,212	23,406
Provisions made during the financial year	7	5,385	52,293
To post-employment benefit liabilities	27	-6,602	-6,419
Discontinued operations	21	-78	-1,121
Provisions used		-25,753	-13,947
<b>Balance as at 31 December</b>		<b>27,164</b>	<b>54,212</b>
Non-current		7,657	12,356
Current		19,507	41,856
<b>Total</b>		<b>27,164</b>	<b>54,212</b>

Separate restructuring plans were developed for the TMG group and TMG Distributie B.V. in the fall of 2008. The restructuring plans have in principle been approved by the CWC, but the sub-plans have been and to an extent must still be submitted to the Works Councils of the relevant subsidiaries. The restructuring plans have been communicated to TMG employees in various ways thereby creating the justified expectation among employees that the reorganisation will in fact be carried out. The reorganisation has already been initiated for various components following approval by the Works Council. TMG envisages a reduction of 600 FTEs on the basis of the restructuring plans, a significant portion has been effected in 2009. Additionally, a restructuring provision of 5,385 has been taken relating to the termination of the sunday edition of De Telegraaf. This restructuring will be effected in 2010.

The restructuring provision concerns the commitments related to outplacement services and the redundancy of employees at Telegraaf Tijdschriften Groep B.V., Holland Combinatie B.V., Uitgeversmaatschappij De Telegraaf B.V., HDC Media B.V., Telegraaf Drukkerij Groep B.V., TMG Distributie B.V. and staff departments. A change in assumptions and estimates could impact the actual cost of the reorganisation, including the method of redundancy (buyout or outplacement services) and timing. The current portion amounts to 19,507 (2008: 41,856). Part of the FTE reduction programme in 2009 has been delayed and will be effected in 2010.

## 29. DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets and liabilities recognised can be allocated as follows at the end of the financial year:

<i>In thousands of euros</i>			2009
	Assets	Liabilities	Balance
Intangible assets	-	-24,220	-24,220
Property, plant and equipment	-	-699	-699
Post-employment liabilities schemes	963	-	963
Provisions	-	-70	-70
Carry-forward loss compensation	9,670	-	9,670
Other items	-	-713	-713
<b>Net tax asset/liability (-)</b>	<b>10,633</b>	<b>-25,702</b>	<b>-15,069</b>

<i>In thousands of euros</i>			2008
	Assets	Liabilities	Balance
Intangible assets	-	-30,161	-30,161
Property, plant and equipment	-	-1,175	-1,175
Post-employment liabilities schemes	1,447	-	1,447
Provisions	-	-738	-738
Carry-forward loss compensation	7,887	-	7,887
Other items	-	-443	-443
Reclassification assets held for sale	-196	253	57
<b>Net tax asset/liability (-)</b>	<b>9,138</b>	<b>-32,264</b>	<b>-23,126</b>

The carry-forward loss compensation is expected to be fully compensated by future profits within the fiscal unity TMG.

### Unrecognised deferred tax assets

With regard to start-up losses at a few subsidiaries, no deferred tax assets were recognised on the statement of financial position, because the expectation is that these will not be realised in short time. At the end of 2009, unrecognised deferred tax assets amounted to 1,368 (2008: 5,617). Of this amount, 1,089 concerns foreign losses in 2008 that can be carried forward indefinitely. The unused losses in the Netherlands remain within the limit of 9 years. The decrease is caused mainly by discontinued operations.

### Movement in temporary differences during the year

<i>In thousands of euros</i>	Balance 1 - 1 - 2009	Recognised in income	(De-) Consolidated	Balance 31 - 12 - 2009
Intangible assets	-30,161	6,076	-135	-24,220
Property, plant and equipment	-1,175	279	197	-699
Post-employment liabilities schemes	1,447	-484	-	963
Provisions	-738	668	-	-70
Carry-forward loss compensation	7,887	1,794	-11	9,670
Other items	-443	-323	53	-713
Reclassification assets held for sale	57	-	-57	-
<b>Net tax asset/liability (-)</b>	<b>-23,126</b>	<b>8,010</b>	<b>47</b>	<b>-15,069</b>

<i>In thousands of euros</i>	Balance 1 - 1 - 2008	Recognised in income	(De-) Consolidated	Balance 31 - 12 - 2008
Intangible assets	-33,539	7,223	-3,845	-30,161
Property, plant and equipment	419	-702	-892	-1,175
Post-employment liabilities schemes	958	527	-38	1,447
Provisions	-1,965	563	664	-738
Carry-forward loss compensation	206	-263	7,944	7,887
Other items	29	-349	-123	-443
Reclassification assets held for sale	-	-	57	57
<b>Net tax asset/liability (-)</b>	<b>-33,892</b>	<b>6,999</b>	<b>3,767</b>	<b>-23,126</b>

## 30. ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

<i>In thousands of euros</i>	2009	2008
Subscriptions paid in advance	49,202	53,408
Other amounts paid in advance	2,963	2,234
Trade payables to suppliers	25,556	32,649
Employee benefits payable (holidays/-allowance and profit share)	26,973	30,327
Other taxes and social security premiums	19,465	14,761
Other liabilities and deferred income	49,226	45,393
<b>Total</b>	<b>173,385</b>	<b>178,772</b>

Other liabilities and deferred income consist of (estimates for) editorial and distribution expenses, other general expenses, returned products and commissions to be paid.

The fair value of the liabilities does not differ from the nominal value recognised here.

## 31. FINANCIAL RISK MANAGEMENT

TMG recognises the market, credit, currency and interest rate risk involved in regular business operations. The trends in the price of paper can also have a substantial effect on the business result. These risks have a slight impact on the financial position of TMG, therefore internally a high level sensitivity analysis is performed.

The Executive Board has overall responsibility for the establishment and oversight of TMG's Risk control framework. The Executive Board makes an annual assessment of the strategic risks at both the central and decentralised level and evaluates the developments and monitoring of the strategic risks quarterly.

TMG's risk management policies are established to identify and analyse the risks faced by TMG, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and TMG's activities. TMG, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Group Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Executive Board and Supervisory Board.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect TMG's income or the value of its investment of financial instruments in a negative way. The objective of market risk management is to manage and control market risk exposures within acceptable ranges.

TMG has a policy of not using any forward, swap and/or future contracts. In 2009 and 2008 no interest-rate swap contracts were arranged. TMG also has the policy of restricted use of external financing, with the exception of Sky Radio Group and Keesing Media Group where external financing is temporary used. A main criterion is that TMG is not dependent on external finance companies. External borrowings may not exceed 2 times EBITDA. For further information, see the note on interest-rate risk.

The current economic conditions are for TMG reason to sell or discontinue less profitable activities and to change future expectations on results. As a consequence of these assumptions impairments took place on assets.

### Credit risks

Credit risk arises principally from TMG's receivables if a customer fails to meet its contractual obligation. The (industry-wide) terms of payment applied, the relatively limited dependence on individual customers and the historical payment behaviour of our customers make it unnecessary to use financial instruments to limit this risk. The credit risk is principally concentrated in The Netherlands. The credit risk is slightly increased since 2008.

### Impairment losses

Customers are required to pay within pre-set time limits. Exceeding the deadline results in service deliveries being halted. Customers are primarily media outlets, companies and subscribers. The aging of trade receivables at balance sheet date was:

*In thousands of euros*

	Total	Not past due	Past due 30 - 60 days	Past due 60 - 90 days	Past due 90 - 180 days	Past due 180 - 360 days	More than 360 days
<b>Balance as at 31 December 2009</b>	<b>72,978</b>	<b>48,341</b>	<b>12,808</b>	<b>4,222</b>	<b>2,936</b>	<b>3,043</b>	<b>1,628</b>
Balance as at 31 December 2008	86,249	51,027	17,726	12,537	1,512	1,994	1,453

The difference on the balance as at 31 December 2009, 31 December 2008 and Note 19 is caused by discontinued operations. TMG has established an impairment risk allowance for estimated losses on trade receivables. The impairment is based on payment arrears and the stipulated deadlines. Changes in the impairment risk allowance for trade receivables during the year were as follows:

<i>In thousands of euros</i>	<b>2009</b>	2008
Balance as at 1 January	<b>8,599</b>	5,410
Additions	<b>3,172</b>	4,592
Use	<b>-4,278</b>	-1,403
<b>Balance as at 31 December</b>	<b>7,493</b>	8,599

### Currency risk

TMG incurs currency risks to a very limited extent due to activities outside the euro zone, namely Denmark. The activities in Sweden and the Ukraine were discontinued in 2009. The net cash in and outflows of entities and their timing is such that no significant currency positions are created as a result. Sensitivity of TMG to foreign exchange rates is therefore very small. At the end of 2009 TMG had no forward contracts. TMG has the policy of responding to significant currency exposures by concluding forward contracts to cover the

risks over a period of one year. For an individual entity within TMG, a currency exposure is deemed to be significant if the size of revenue in any calendar month exceeds 500, and the cash flow has a probability of more than 50%.

**Interest-rate risk**

The most relevant interest-rate risk for TMG involves a mismatch between interest payments and the cash flows from financed assets. However, TMG is on balance a recipient of interest since the net debt position (recognised loans minus cash), is more than compensated by the interest-bearing cash and immediately accessible deposits. Given the limited size of the debt position, TMG is hardly affected by interest-rate fluctuations, nor do they have any significant influence on TMG's financial position and result. For this reason, TMG does not use any interest-rate hedging, barring unforeseen circumstances.

**Other market-price risk**

Of the commodities traded on the global market, TMG only purchases paper, but to the extent that fluctuations in its price can have a substantial impact on the business result. TMG has decided not to hedge the risk of increasing paper prices because (a) TMG already has long-term contracts with paper suppliers and (b) large manufacturers of paper have taken up positions on the futures market making it insufficiently liquid to hedge significant volumes in a manner that would be attractive to TMG.

**Liquidity risk**

TMG has hardly any liquidity risk given the limited financial liabilities and the liquidity position. Liquidity risk is the risk that TMG will not be able to meet its financial obligations as they fall due. The aim of liquidity risk management is to maintain sufficient liquidity in order, as far as possible, to cover existing and future financial liabilities under normal and difficult circumstances and without incurring unacceptable losses or damaging the reputation of TMG.

The following lines of credit are available at balance sheet date:

- 45,000 overdraft facility that is unsecured, unrestricted and without expiry date. Interest would be payable at the EURIBOR one-month rate plus 1.25 basis points, on the balance-sheet date 590 (2008: 1,238) of this credit line was being used.
- Keesing Group has an indefinite credit facility of 5,000.

**Capital management**

The Executive Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. The Executive Board monitors the return of capital, which TMG defines as the net operating income divided by total shareholders' equity, excluding minority interests. The Executive Board also monitors the level of dividends to ordinary shareholders.

From time to time TMG purchases its own shares on the market. Buy and sell decisions are made on a specific transaction basis by the Executive Board within limits set by the Supervisory Board and the annual meeting of shareholders; TMG does not have a defined share-buy-back plan.

Neither TMG nor any of its subsidiaries are subject to externally imposed capital requirements.

## 32. OFF BALANCE SHEET LIABILITIES

### Non-cancellable off balance sheet operational leases expire as follows:

<i>In thousands of euros</i>	2009	2008
< 1 year	14,072	10,023
1-5 years	31,919	14,814
> 5 years	272	737
<b>Total</b>	<b>46,263</b>	<b>25,574</b>

In April 2009 a sale and leaseback construction of the passenger car fleet was concluded. The annual operational lease obligation is 6,300. The liabilities have terms up to 2013 and consist primarily of rental and lease liabilities. In the financial year 2009, an expense of 7,739 (2008: 3,292) was included in the statement of comprehensive income for operational leasing.

Telegraaf Drukkerij Groep B.V. has agreements with paper suppliers for which the liabilities within 1 year amount to 29,047 and within 1 to 5 years amount to 13,698.

Keesing Media Group B.V. has a long term agreement for printing puzzle booklets with a third party. The annual purchasing obligation is 8,000.

Within the framework of the termination of non-core activities, Telegraaf Media Groep B.V. entered into an agreement with Atos Origin concerning the subcontracting of the generic ICT services of Telegraaf Media ICT B.V. as of 1 January 2007. The total value of the contract for the remaining period till 31 December 2011, is approximately 19,000 (2008: 33,000).

#### Litigation

At Franken B.V., a subsidiary of the Biegelaar Groep, a litigation has been started in which former employees of the Biegelaar Groep sue TMG for supplementary payment. TMG is liable for financial compensation and paid an amount. The litigation is not finished. TMG provided for this litigation.

A number of TMG group companies face legal proceedings. These cases primarily concern employment relations, disputes and rectifications of publications. We have every faith in a positive outcome in the case of all these proceedings and do not expect them to have a significant effect on TMG's consolidated financial position.

## 33. INVESTMENT COMMITMENTS

In the financial year 2009, TMG did not enter into significant agreements for development of software or other investments (2008: 280). These investments in 2008 concerned development of IT systems of TMG Distributie B.V. and Keesing Media Group.

## 34. CONTINGENT LIABILITIES

At the end of 2009 bank guarantees of 696 (2008: 1,546) were issued to cover rental agreements.

## 35. RELATED PARTIES

### Identity of related parties

TMG has a related party relationship with its subsidiaries, associates (see section 16 of the notes), joint ventures (see section 36 of the notes), Stichting-Telegraafpensioenfonds 1959 and Stichting Preferente Aandelen Telegraaf Media Groep N.V. A list of Telegraaf Media Groep N.V. participations has been published at the Chamber of Commerce in Amsterdam.

The following shareholders have, at 31 December 2009 following the AFM register, an interest of more than 20% in TMG's capital.

- Stichting Administratiekantoor Telegraaf Media Groep N.V.
- N.V. Exploitiemaatschappij Van Puijenbroek
- Cyrte Investments B.V.

### Transactions with Executive Board and Supervisory Board

For a specification of the remunerations per manager please refer to the company statement of comprehensive income (Note 9). The note on related parties refers to TMG senior management, namely the Executive and Supervisory Boards. The total remuneration is included in Personnel costs (see section 7 of the Notes to the consolidated financial statements).

### Other related party transactions

Transactions with related parties relate to associated companies (revenue 2009: 7,525; revenue 2008: 9,128) and joint ventures (revenue 2; revenue 2008: 3). Receivables with related parties were 2,716 (2008: 2,765) as at 31 December for which a provision is made of 1,324 (2008: nil). In 2009 TMG paid 12,317 (2008: 12,920) premium to Stichting-Telegraafpensioenfonds 1959. Including employees contributions the premium amounted to 19,000 (2008: 20,000). All outstanding balances with these related parties are priced on an arm's length basis and are settled in cash within six months of the reporting date. None of the balances are secured.

## 36. INTERESTS IN JOINT VENTURES

The group has an interest in the following joint ventures:

	Location	Interest 2009	Interest 2008
<b>Participations</b>			
TTG Hearst B.V.	Amsterdam	0.0%	75.0%
TTG Sulake B.V.	Amsterdam	49.0%	49.0%
TTG Volgas v.o.f.	Amsterdam	0.0%	50.0%
Adventure Holding B.V.	Zeist	33.3%	33.3%
Himes B.V. <sup>1)</sup>	Amsterdam	100.0%	50.0%
Jaap.nl B.V.	Amsterdam	50.0%	0.0%

<sup>1)</sup> consolidated in 2009

The consolidated financial statements include the following items which correspond to TMG's interest in the joint venture's assets and liabilities, revenues and costs (proportionate consolidation):

<i>In thousands of euros</i>	<b>2009</b>	2008
Non-current assets	<b>72</b>	42
Current assets	<b>1,025</b>	1,656
Non-current liabilities	<b>-1,418</b>	-1,808
Current liabilities	<b>-699</b>	-1,526
<b>Balance of assets and liabilities</b>	<b>-1,020</b>	-1,636
Total revenues	<b>1,704</b>	4,719
Total expenses	<b>-1,259</b>	-4,819
Financial income and expense	<b>-83</b>	-70
Income tax	<b>-183</b>	-230
<b>Net result</b>	<b>179</b>	-400

### 37. SUBSEQUENT EVENTS

Reference is made to 'Other Information' for an explanation on the subsequent events.



# Company Financial Statements 2009





# Company statement of comprehensive income

<i>In thousands of euros</i>	<b>2009</b>	2008
Result of subsidiaries (after tax)	<b>70,787</b>	-331,436
Other income and expense (after tax)	<b>-282</b>	-28,552
<b>Net result for the year</b>	<b>70,505</b>	-359,988
Other comprehensive income for the year, net of tax	<b>594</b>	-471
<b>Total comprehensive income for the year</b>	<b>71,099</b>	-360,459

# Company statement of financial position

As at 31 December, before appropriation of result

<i>In thousands of euros</i>	Note	<b>2009</b>	2008
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Goodwill	2	<b>2,599</b>	3,300
<b>Financial assets</b>			
Subsidiaries		<b>344,902</b>	284,732
Receivables on subsidiaries		-	1,885
Deferred tax assets		<b>10,004</b>	8,591
Other receivables		-	147
<b>Total non-current financial assets</b>	3	<b>354,906</b>	295,355
<b>Total non-current assets</b>		<b>357,505</b>	298,655
<b>CURRENT ASSETS</b>			
Taxes and social security premiums	4	-	5,832
Subsidiaries	4	<b>396,443</b>	400,138
Other receivables and accrued income	4	-	361
Cash		-	15,863
<b>Total current assets</b>		<b>396,443</b>	422,194
<b>Total assets</b>		<b>753,948</b>	720,849
<b>SHAREHOLDERS' EQUITY</b>			
Issued capital		<b>11,938</b>	12,500
Statutory reserves		-	-594
Other reserves		<b>383,519</b>	759,658
Retained earnings		<b>70,505</b>	-359,988
<b>Total shareholders' equity</b>	5	<b>465,962</b>	411,576
<b>PROVISIONS</b>			
Pension provision		-	24,300
Restructuring provision		-	2,154
<b>Total provisions</b>	6	-	26,454
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing loans	7	<b>2,103</b>	2,814
<b>CURRENT LIABILITIES</b>			
Subsidiaries		<b>255,123</b>	266,647
Borrowings and other financing		<b>24,953</b>	-
Accounts payable and other current liabilities		<b>5,807</b>	13,358
<b>Total current liabilities</b>		<b>285,883</b>	280,005
<b>Total liabilities</b>		<b>287,986</b>	282,819
<b>Total shareholders' equity and liabilities</b>		<b>753,948</b>	720,849

# Notes to the company financial statements

## CONTENTS

### page Note

92	1. Significant accounting policies
92	2. Intangible assets
92	3. Financial assets
93	4. Receivables
93	5. Shareholders' Equity
93	6. Provisions
93	7. Non-current liabilities
94	8. Off- balance sheet liabilities
94	9. Remuneration of Executive Board and Supervisory Board members
95	10. Fee external auditor

## 1. SIGNIFICANT ACCOUNTING POLICIES

The company financial statements have been prepared in accordance with the provisions in Part 9, Book 2 of the Netherlands Civil Code. As regards determining the principles for the valuation of assets and liabilities and the result of its company financial statements, Telegraaf Media Groep N.V. uses the option provided for in Article 2:362, paragraph 8 of the Netherlands Civil Code. This means that the principles for the valuation of assets and liabilities and the determination of the result (hereinafter to be referred to as the 'accounting principles') of the company financial statements of Telegraaf Media Groep N.V. are the same as those used for the consolidated IFRS financial statements. Investments in subsidiaries, in which TMG has significant influence, are accounted for in accordance with the equity method. These consolidated IFRS financial statements have been prepared in accordance with the standards of the International Accounting Standards Board and approved by the European Union. Please refer to pages 48 to 56 for a description of these principles. Share in result of subsidiaries, joint ventures and associates includes the share of Telegraaf Media Groep N.V. in the results of these participations.

Results on transactions which have involved the transfer of assets and liabilities between Telegraaf Media Groep N.V. and its participations and between participations themselves have not been processed in so far as these cannot be regarded as having been realised. A reference is made to the Notes to the consolidated financial statements, unless otherwise stated.

In conformity with article 402, Book 2 of the Netherlands Civil Code, a condensed statement of comprehensive income is included in the company financial statements of Telegraaf Media Groep N.V.

## 2. INTANGIBLE ASSETS

<i>In thousands of euros</i>	<u>2009</u>	2008
<b>Goodwill</b>		
Cost	<b>11,979</b>	17,445
Impairment	<b>8,679</b>	-
<b>Carrying amount at 1 January</b>	<b>3,300</b>	17,445
<b>Movements carrying amount</b>		
Acquired through business combinations	-	-3,477
Reclassification to subsidiaries	-	-1,989
Impairment	<b>-701</b>	-8,679
<b>Total movements</b>	<b>-701</b>	-14,145
Cost	<b>3,300</b>	11,979
Impairment	<b>701</b>	8,679
<b>Carrying amount at 31 December</b>	<b>2,599</b>	3,300

## 3. FINANCIAL ASSETS

<i>In thousands of euros</i>	<u>2009</u>	2008
<b>Subsidiaries</b>		
Share in equity	<b>344,902</b>	284,732
Receivables on subsidiaries	-	1,885
	<b>344,902</b>	286,617
<b>Deferred tax assets</b>	<b>10,004</b>	8,591
<b>Other receivables</b>	-	147
<b>Total</b>	<b>354,906</b>	295,355

**Movements in non-current financial assets can be shown as follows:**

<i>In thousands of euros</i>	Subsidiaries	Receivables from subsidiaries	Deferred tax assets	Other receivables	Total
Carrying amount as at 1 January 2009	284,732	1,885	8,591	147	295,355
<b>Movements in carrying amount</b>					
Share in result of investments	70,787	-	1,413	-	72,200
Divestments	-900	-	-	-	-900
Dividend	-15,350	-	-	-	-15,350
(De)consolidation	5,633	-	-	-147	5,486
Withdrawal / redemption	-	-1,885	-	-	-1,885
<b>Carrying amount as at 31 December 2009</b>	<b>344,902</b>	<b>-</b>	<b>10,004</b>	<b>-</b>	<b>354,906</b>

#### 4. RECEIVABLES

<i>In thousands of euros</i>	2009	2008
Income tax	-	5,832
Subsidiaries	<b>396,443</b>	400,138
Other receivables and accrued income	-	361
<b>Total</b>	<b>396,443</b>	406,331

#### 5. SHAREHOLDERS' EQUITY

For the consolidated statement of changes in equity see page 46 and note 22 of the consolidated financial statements. The legal translation reserve amounts to nil (2008: -594). The translation reserve is nil caused by discontinued activities in Sweden and Ukraine.

#### 6. PROVISIONS

<i>In thousands of euros</i>	2009	2008
Provisions for post-employment liabilities	-	24,300
Restructuring provision	-	2,154
<b>Total</b>	<b>-</b>	<b>26,454</b>

In 2009 the provisions have been transferred to the entities involved.

#### 7. NON-CURRENT LIABILITIES

The loans amounting to 2,103 (2008: 2,814) involve management shares with regard to Sky Radio Group and Keesing Media Group. Further details are included in the notes to the consolidated statement of financial position.

## 8. OFF BALANCE SHEET LIABILITIES

### Joint and several liability and guarantees

Pursuant to Article 403, paragraph 1, subparagraph f of Book 2 of the Dutch Civil Code, the company holds itself liable for the debts arising from the legal transactions of the Dutch group companies in which it holds an interest of 95% or more, with the exception of 402EVENTS.COM B.V. A list of group companies has been filed with the Chamber of Commerce and will be made available by the company upon request.

### Fiscal unity

Telegraaf Media Groep, along with almost all of its wholly-owned subsidiaries in the Netherlands, is a single fiscal unity for both income tax and VAT. Within the fiscal unity, TMG companies are jointly and severally liable for tax liabilities to the Tax Authorities.

## 9. REMUNERATION OF EXECUTIVE BOARD AND SUPERVISORY BOARD MEMBERS

### Remuneration Policy for the Executive Board

During the annual general meeting of shareholders held on 19 April 2007, the proposed remuneration policy for the Executive Board was approved retroactive to 1 January 2007. The remuneration structure consists of a fixed and variable element. The fixed element consists of the annual salary and the vacation allowance. The variable component consists of a) the existing profit sharing scheme for all Telegraaf Media Groep N.V. employees and b) an individual bonus. The individual bonus varies between 0 and 2 monthly salary payments; 60% is determined on the basis of the degree to which the collective targets of the Executive Board are realised and 40% on the basis of the degree to which the individual targets of the members of the Executive Board are realised. In addition, the Supervisory Board may decide to award an additional bonus and shall render account of any such award at the annual general meeting of shareholders. In setting the remuneration for the members of the Executive Board, the Supervisory Board takes various factors into account within the framework of the general remuneration policy, such as the required competences, skills, as well as the responsibilities of the members of the Executive Board.

### Remuneration

The achieved results in 2009 do not provide any justification for payment of variable compensation on the basis of the collective targets of the executive Board. There would be some room for the payment of variable compensation on the basis of personal objectives of the members of the Executive Board. However, in the current situation of the company and the economic climate in 2009 is decided to relinquish from a variable payment.

At request of the Executive Board it has been decided not to increase the fixed annual salaries of the Executive Board for 2010 and not to adjust for inflation.

### Remuneration of the Executive Board

<i>In euros</i>	2009		2008	
	Periodical remuneration	Deferred remuneration	Periodical remuneration	Deferred remuneration
<b>Members of the Executive Board</b>				
A.J. Swartjes	526,112	186,116	658,490	135,356
F.Th.J. Arp	471,778	168,437	582,928	122,684
P. Morley MSc.	471,778	176,278	495,879	144,319

Included in the periodical remuneration is a variable component for the former financial year for Mr. Swartjes of nil (2008: 115,452) and Mr. Arp nil (2008: 105,483) and Mr. Morley nil (2008: 38,091). The remuneration of the Supervisory Board is index-linked to the consumer price index (CPI, 2000=100) since 1 January 2007.

## Remuneration of the Supervisory Board

<i>In euros</i>	<b>2009</b>		2008	
	<b>Periodical remuneration</b>	<b>Deferred remuneration</b>	Periodical remuneration	Deferred remuneration
<b>Members of the Supervisory Board</b>				
A.J. van Puijenbroek	<b>31,213</b>	-	30,469	-
W. van Voorden	<b>25,949</b>	-	25,333	-
H.L. Weenen	<b>25,949</b>	-	25,333	-
mrs. M. Tiemstra	<b>25,949</b>	-	25,333	-
L.G. van Aken*	<b>8,606</b>	-	25,333	-
J.G. Drechsel	<b>25,949</b>	-	25,333	-

\* Mr. L.G. van Aken passed away on 7 April 2009

## Share ownership at 31 December 2009

	Shares	Depository receipts for shares
<b>Members of the Executive Board</b>		
A.J. Swartjes	-	-
F.Th.J. Arp	-	639
P. Morley MSc.	-	-
<b>Members of the Supervisory Board</b>		
A.J. van Puijenbroek	64	-
W. van Voorden	-	-
H.L. Weenen	-	5,200
mrs. M. Tiemstra	-	-
J.G. Drechsel	-	-

## 10. FEE EXTERNAL AUDITOR

The fee recognized in the financial statements for the external auditor KPMG Accountants N.V. pursuant to art. 382a BW2 is as follows:

<i>In thousands of euros</i>	<b>2009</b>	2008
Audit of the financial statements	<b>549</b>	682
Other assurance services	<b>98</b>	174
Tax services	-	-
Other-non-audit services	<b>3</b>	16
<b>Total</b>	<b>650</b>	872

Amsterdam, 11 March 2010

### Executive Board

A.J. Swartjes, chairman  
F.Th.J. Arp RA  
P. Morley MSc.

### Supervisory Board

A.J. van Puijenbroek, chairman  
W. van Voorden, vice-chairman  
H.L. Weenen, secretary  
mrs. M. Tiemstra  
J.G. Drechsel



# Other information

## SUBSEQUENT EVENTS

On 1 February 2010 Keesing Media Group sold the shares of Keesing Reference System B.V. to Hologram. Industries.

## AUDITORS' REPORT

**To: the Annual General meeting of Shareholders of Telegraaf Media Groep N.V.**

### Report on the financial statements

We have audited the financial statements 2009 included on pages 41 to 95 in this report of Telegraaf Media Groep N.V. in Amsterdam. The financial statements comprise the consolidated and company financial statements. The consolidated financial statements consist of the consolidated statement of financial position as at 31 December 2009, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year 2009 and a summary of significant accounting policies and other explanatory notes.

The company financial statements comprise the company statement of financial position as at 31 December 2009 and the company statement of comprehensive income for the year 2009 and the notes.

### Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Executive board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including

the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion concerning the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Telegraaf Media Groep N.V. as at 31 December 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

### Opinion concerning the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Telegraaf Media Groep N.V. as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

### Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the annual report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 11 March 2010

KPMG Accountants N.V.  
C.A. Bakker

## Other information

### PROVISIONS OF THE ARTICLES OF ASSOCIATION CONCERNING THE APPROPRIATION OF PROFIT

In relation to the appropriation of profit, Article 33 of the articles of association of Telegraaf Media Groep N.V. stipulates that:

- Each year the Executive Board, subject to the approval of the Supervisory Board and the Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V. (TMG Preference Shares Trust), determines the portion of the profit – the positive balance on the income statement – that will be transferred to reserves.
- A dividend is made payable on the preference shares from the profit remaining after the transfer to reserves in accordance with the previous paragraph, at a rate equal to the 12-month Euro Inter-bank Offered Rate (EURIBOR) effective on the date on which the relevant preference shares are issued (“the Rate”). The Executive Board then reviews the Rate annually, commencing on the date one year after the date of issue of the relevant preference shares and subsequently on the date one year after the fixing of the Rate in the preceding calendar year. The Rate is increased by three percentage points. The dividend is determined on the basis of the average applicable Rates in the relevant financial year, weighted by the number of days for which the applicable Rates applied. If the Rate cannot be determined on the date in question, the Rates will be reviewed on the next date on which the Rate can be determined.
- The dividend on the preference shares will be paid only for the number of days on which the relevant shares were actually in issue in the relevant financial year.
- A statutory dividend is subsequently paid to the holders of ordinary shares and priority shares in the amount of five per cent of the nominal value of their shares or – if profit is insufficient for this purpose – at a percentage that is as high as possible. In relation to priority shares, the percentage of the dividend aforementioned may not be higher than the statutory interest rate on the last day of the relevant financial year.
- If in any financial year the dividend on preference shares as provided for at the second bullet point above, cannot or can only partially be paid, due to a lack of sufficient profit, the shortfall is paid from the distributable portion of equity. The dividend is calculated on the paid-up portion of the nominal amount.
- The profit then remaining is at the disposal of the General Meeting of Shareholders. No additional dividend may however be paid from this amount on the priority shares or the preference shares.
- Distribution of profit is limited to the distributable portion of equity.
- If a loss is incurred in any one year, no dividend is then paid in that year. In addition, in subsequent years a dividend may only be paid after sufficient profit has been made to cover the loss. Based on a proposal submitted by the Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V., the General Meeting of Shareholders may however decide to settle such a loss with the attributable portion of equity or also make a dividend payable from the distributable portion of the equity.
- Profit is distributed after the financial statements, showing that the distribution is permissible, have been adopted.
- The shares held by the company in its own capital do not count in determining the distribution of profit.

## Other information

### STICHTING PREFERENTE AANDELEN TELEGRAAF MEDIA GROEP N.V. AND STICHTING BEHEER VAN PRIORITEITSAANDELEN TELEGRAAF MEDIA GROEP N.V.

Overview of all outstanding and potentially available defensive measures to guard against a possible takeover of control of Telegraaf Media Group N.V. This summary identifies the circumstances under which these defensive measures would likely be invoked.

#### 1. Stichting Preferente Aandelen Telegraaf Media Groep N.V.

The purpose of the Stichting Preferente Aandelen Telegraaf Media Groep N.V. (TMG Preference Shares Trust) is as follows:

- To protect the interests of the Telegraaf Media Groep N.V., with registered office in Amsterdam, hereinafter also referred to as the company, of its affiliated companies and all involved parties, whereby such measures are taken as required to protect to the maximum possible extent against influences that could threaten the continuity, independence or identity, in conflict with these interests.
- To protect against the influence of third parties that could affect the editorial independence, as well as the principles that serve as the basis on which the opinion-forming publications of the companies within the group are edited.

The Trust attempts to achieve this goal by:

- 1) acquiring preference shares in the company and by exercising the rights associated with these shares;
- 2) by exercising other rights that are granted to the Trust pursuant to the law, articles of association or an agreement.

The Trust takes the purpose for which the preference shares may be issued into consideration in relation to the provisions stated under 1) above, in accordance with the explanation provided in support of the proposal to amend the Articles of Association approved by the General Meeting of Shareholders of the company on 20 December 1983. The disposal, encumbrance or in any other way disposing of shares fall outside such purpose, except:

- disposal to the company itself or to an affiliated group company to be designated by the company;
- collaboration in the repayment and withdrawal of shares;
- encumbrance of shares (without the transfer of voting rights) with a view to contracting a financial loan or credit for the sole purpose of paying up (part of) the nominal value of preference shares in the company to be acquired by the Trust.

The right to issue preference shares of Telegraaf Media Groep N.V. is granted by the Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V. (TMG Priority Share Management Trust). The Stichting Preferente aandelen Telegraaf Media Groep N.V. has the right to acquire preference shares in TMG's capital that correspond to 50% of the total number of ordinary shares issued, for the exercise of (part of) these rights.

The Stichting Preferente aandelen Telegraaf Media Groep N.V. is an independent trust as defined in Section 5:71 subsection 1 under c of the Financial Supervision Act (Wft).

On 21 March 2008, Telegraaf Media Groep N.V. authorised the Trust to submit a request for an inquiry, within the meaning of Article 2:346c of the Dutch Civil Code.

The management board of the Trust consists of one chairman and four members. As at 31 December 2009, the composition of the board is as follows: S.E. de Jong (Chairman), A. den Bandt, A.H.M. van Roosmalen, J.H.M. Lindenberg and J.P. Witsen Elias. No preference shares were outstanding on the balance sheet date.

#### 2. Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V.

The objective of the Management Trust is to acquire and manage the priority shares of the company and, on this basis, to ensure the continuity of the company's management, ward off any influences on the company's management that could affect the independence of the company in conflict with its interests and to promote sound policy in the interests of the company.

The authorities associated with the priority shares include the decision to issue shares, set the number of directors and the right to propose an amendment to the Articles of Association or dissolution of the company before the General Meeting of Shareholders can decide on such matters.

The priority shares are held by the Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V., whose management board as at 31 December 2009 consists of E.H. van Puijenbroek (Chairman), M. Tiemstra (Secretary), W. van Voorden and A.R. van Puijenbroek.

## Other information

### STICHTING ADMINISTRATIEKANTOOR VAN AANDELEN TELEGRAAF MEDIA GROEP N.V.

**Telegraaf Media Groep N.V. (TMG) is a listed company. Depositary receipts for shares in TMG are traded via the NYSE Euronext in Amsterdam.**

Shareholders are entitled to attend the General Meeting of Shareholders, and to speak and vote at this meeting. Holders of depositary receipts are entitled to attend and speak at this meeting. Holders of depositary receipts may obtain a proxy for the duration of the meeting from the management board of the Stichting Administratiekantoor van aandelen Telegraaf Media Groep N.V. (TMG Share Administration Trust) that entitles them to vote. TMG's depositary receipts for shares can be converted without limitation. The issue of depositary receipts for shares therefore does not constitute an anti-takeover measure for TMG.

One of the purposes of the Stichting Administratiekantoor van aandelen Telegraaf Media Groep N.V. is to issue convertible bearer depositary receipts for shares in exchange for which the Trust acquires and holds ordinary shares in its own name, for administration. The Trust administers the acquired ordinary shares and exercises the rights associated with these shares, including the voting rights.

In exercising the rights associated with the shares, the Trust will primarily focus on the interests of the holders of depositary receipts with due consideration of the interests of TMG and its affiliated companies.

The notes explaining the variance from Principle IV.2: Issue of Depositary Receipts for Shares of the Corporate Governance Code may be found on page 34 of this annual report.

During 2009, the number of convertible depositary receipts for shares in the TMG issued by the Stichting Administratiekantoor van aandelen Telegraaf Media Groep N.V. fell by 2,665,692 depositary receipts and amounted to 29,056,337 (at a nominal value of € 0.25) as at 31 December 2009, corresponding to a nominal amount of € 7,264,084.25. An equal number of shares were administered by the Trust against these depositary receipts. The diminution was due to the buy-back and subsequent withdrawal of shares by TMG.

The issue of depositary receipts for shares is a measure designed to prevent the absence of shareholders at the General Meeting of Shareholders from resulting in a minority of shareholders, by happenstance or otherwise, that is subsequently able to take over control of the meeting. As already

mentioned in the introduction, the issue of depositary receipts for shares is not used as an anti-takeover measure in the case of TMG, as the depositary receipts for shares can be converted without limitation.

Various meetings took place on 16 April 2009. The regular management meeting (Minutes available on the Trust's website at <http://administratiekantoor.tmg.nl>) discussed matters including the Trust's accounts for the financial year 2008 and its finances. The financial statements of TMG and the dividend proposal for 2008 were discussed in detail with Mr F.Th.J. Arp, CFO of TMG. The Board resolved to reappoint Mr W.M. Lammerts van Bueren (Board member A) to the Board for a new four-year term if no other candidates were nominated within two weeks, and to appoint Mr J.F.H.M. van Exter as a new Board member B, due to the resignation of Mr E.H. van Puijenbroek. (N.B. Both appointments have since been finalised.) The agenda for the General Meeting of Shareholders on 22 April 2009 was also discussed at this meeting, and preparations were discussed for the subsequent Meeting of Holders of Depositary Receipts for Shares. The Board received information on the new contract with the KasBank.

The Meeting of Holders of Depositary Receipts for Shares then took place in the afternoon.

Agenda items included a discussion of the minutes of the meeting of holders of depositary receipts for shares held on 5 February 2008, a review of the TMG General Meeting of Shareholders held on 17 April 2008, the activities of the Executive Board during the year and the board member A and B vacancies on the Board. In response to the latter point, the Meeting of Holders of Depositary Receipts for Shares reported that it would not put forward any candidates for appointment to the Board. The Board discussed the agenda with the holders of depositary receipts, to prepare for TMG's General Meeting of Shareholders on 22 April 2009, and a number of matters that the Board wished to raise at this meeting.

Less than 1% of the holders of depositary receipts for shares were represented at the meeting. At that point the Trust was in possession of 65% of the outstanding shares.

The Board then assessed the meeting with the holders of depositary receipts for shares. The Board wishes to give more publicity to this meeting, due to the current extremely low attendance (three of the twelve registered holders of depositary receipts for shares were in attendance). A number of larger holders of depositary receipts for shares were contacted in person to attend but did not appear.

## Other information

TMG's Annual General Meeting of Shareholders was held in Amsterdam on 22 April 2009 (archived webcast via [www.tmg.nl](http://www.tmg.nl)). The management board of the Trust issued proxies with full voting rights for the duration of the meeting to the holders of depositary receipts for shares present during the meeting. The management board represented 41.86% of the votes present during this meeting, while the holders of depositary receipts for shares represented 18.95%. The chairman of the Trust's management board noted that he was encouraged by the Executive Board's explanation of [op de resultatenontwikkeling ipv over] TMG's results in 2008. However, the management expressed concern and noted that it had the impression that the Executive Board's policy was unclear or wandering. The chairman called for the Executive Board to describe scenarios rather than to set targets that can only be achieved under normal economic conditions. The chairman said that the management board, unlike some others, continued to support the decision of the Executive Board regarding the option scheme contracted at the time in ProSiebenSat.1 Media AG and asked about the reasons for ProSiebenSat.1's current low market price and this fund's good financial results. Finally, the chairman asked about TMG's opportunities during this recession.

The management board voted for the adoption of the 2008 financial statements, the proposed profit appropriation, and the ratification of the policy pursued by the Executive Board and the supervision exercised by the Supervisory Board during the year under review. The Trust voted in favour of appointing W. van Voorden as a supervisory director and KPMG as the auditor of the group. The proposals of the Stichting Beheer van Prioriteit-saandelen Telegraaf Media Groep N.V. to amend the Articles of Association, authorise the Executive Board to buy back company shares and the decision to withdraw 2,250,000 TMG shares were also supported by the Trust.

On 16 September 2009 (see the website of the Trust) the management board held its regular autumn meeting. The CEO of TMG's Executive Board gave a general presentation on the group in the first half year, which was also delivered to analysts and shareholders. The management board's comment from the last meeting of shareholders concerning the Executive Board's 'unclear or wandering' policy was discussed, as was the description of scenarios versus setting targets by the Executive Board and the chairman asked about the Executive Board's position regarding the issue of depositary receipts for shares. Matters raised at this meeting included TMG's half-year figures, the Trust's funding, the allocation of tasks within the management board, the appointment of Deloitte as the Trust's auditors and the date for the Meeting of Holders of Depositary Receipts for Shares in 2010.

The remuneration of the board members of the Trust consists of € 8,000 per year for the Chairman and € 6,000 per year for the other board members, paid per calendar year in arrears. The annual costs of the activities of the Share Administration Trust primarily consist of expenses related to stock exchange listings and processing costs, for a total of € 22,837, costs for the Meeting of Holders of Depositary Receipts for Shares, including advertising expenses, totalling € 952, costs for maintaining the Trust's website, totalling € 702 and administration costs amounting to € 4,760. The total expenses of the Trust over 2009 amounted to € 61,344 (2007: € 54,436).

The management board of the Stichting Administratiekantoor van aandelen Telegraaf Media Groep N.V. is independent in the sense of Article 2:113(3) of the Dutch Civil Code and consists of the following members, including mention of the former and/or current positions held:

**W.M. Lammerts van Bueren, Chairman:**

Emeritus Professor in International University Collaboration/  
Economic Sciences EUR

**W.P. Moleveld, Vice Chairman:**

Profession of Accounting Nyenrode Business University

**E.S. Schneider, Secretary:**

Independent management consultant, in particular for publishers and printers (until 2006)

**W. Ruijgrok:**

Director of the Confederation of Netherlands Industry and Employers (VNO-NCW)

**J.F.H.M. van Exter:**

Managing Director, Corus Services Nederland B.V.

Amsterdam, 11 March 2010

Stichting Administratiekantoor van aandelen

Telegraaf Media Groep N.V.

c/o Basisweg 30

1043 AP AMSTERDAM



# About TMG

## PROFILE

**TMG (Telegraaf Media Groep) is one of the largest Dutch media groups. TMG's three publishing groups, Telegraaf Media Nederland, Keesing Media Group and Sky Radio Group have market leadership positions in daily newspapers, magazines, puzzle magazines, online and offline media and radio.**

TMG is the largest newspaper publisher in the Netherlands with the leading national dailies De Telegraaf and Sp!ts and has a strong position in the Randstad area and surroundings with regional dailies and (free) local papers.

TMG has a strong market position in the Netherlands in the magazine market on the basis of titles aimed at specific target groups for instance in the segments of Entertainment, Automotive and Puzzles.

Keesing Media Group is the market leader in puzzle booklets. The company is also developing a position in the market of casual games.

In the Dutch radio market, TMG holds a majority interest in Sky Radio (87.3%), the market leader among commercial radio stations.

TMG is furthermore increasingly active in new, mostly digital, forms of media via the (mobile) Internet and in combinations of various media types (cross media).

In the international scene, TMG holds a 6% interest in ProSiebenSat.1 Media AG, one of the largest European radio and television enterprises. In the Netherlands the stations SBS6, Net5 and Veronica belong to ProSiebenSat.1 Media AG.

Outside the Netherlands, TMG is active in France, Belgium and Denmark with puzzle magazines. Obviously the Internet products of TMG have no geographical boundaries at all.

TMG employs approximately 2.800 FTE and is listed at NYSE Euronext Amsterdam.

# About TMG

## CORE VALUES

**TMG is a self-confident enterprise with a strong identity. The enterprise is focused on the long term with media products aimed at the multi media information and spare time market of consumers.**

TMG is solid and financially strong. The company's policy reflects its core values professional, change-oriented and committed, while maintaining integrity in all areas. Everything is focused on responding to client desires and needs.

TMG is a reliable and committed employer. Employees are offered extensive development opportunities and good income. In exchange, TMG expects its employees to proactively handle changes, to further develop themselves and to contribute to the development of the enterprise in a drastically changing marketplace in a committed, and professional way.

TMG adopts a client-oriented approach in relation to suppliers of products and services. TMG would like to support them by optimising contacts with existing and potential clients and by creating greater flexibility in this respect, through divergent media forms.

TMG wants to provide information and entertainment to consumers, using various medium types, thus ensuring content is accessible anywhere at anytime. Intentional, focused on the interests of the general public or narrowly defined target groups, informative and entertaining.

In terms of our shareholders, continuity, profitability, predictability of financial results and integrity are key.

TMG is solidly financed. The company is for an important portion of its operating result dependent on the Dutch economy.

## MISSION

**TMG is actively engaged in finding and creating loyalty among general and/or specific public interest groups and communities and in exploiting their multi-media leisure time consumption:**

- Getting in touch with users, readers, listeners and viewers through a targeted offering of general and customised media products, by leveraging the reach of strong TMG brands and by cross promotion in various media platforms.
- Creating loyalty by providing attractive content and applications in the area of information and entertainment, including news, music, puzzles and games. Made for and by users.
- Exploiting the reach among public interest groups. The outcome is the revenue streams from consumers and advertisers, which diverge more and more from the traditional streams.

# About TMG

## VISION AND AMBITION

**TMG wants to organise the extremely broad multimedia consumer offering that bombards the consumer, in such a way that it arrives in a well-organised and precisely targeted manner. This allows advertisers to grab the consumer's attention with a clear focus.**

On the one hand TMG reaches the 35 year and older consumer group for its advertisers. This target group tends to make extensive use of traditional media – daily newspapers, radio, TV – and TMG enjoys a prominent position in each of these sectors. TMG is efficient in collecting and creating appealing content for this target group in the area of news, music and games.

On the other hand TMG is also an innovative media enterprise and grows by focusing on the target group of the future: the 'internet generation' (mostly younger than 35 years of age), who spend much of their media time on the internet in general and using 'social media' in particular. TMG intends to become the trend-setting media enterprise for the internet generation. TMG provides advertisers with an opportunity to efficiently reach this target group.

The company is convinced that success follows from the right approach to the most important parts of traditional activities leading to greater efficiency and by carefully positioning itself in the new media world as a means of realising essential growth.

## OBJECTIVES

- Mid 2008, TMG stated the intention to markedly increase the recurring EBITA margin in the first three years from a level of just over 7% in 2007 to – eventually – a level of 15%. Higher margins had to be realised by cost cutting, disposing of insufficiently performing activities and outsourcing of non core activities. This ambition assumed normal economic conditions, maintaining and expanding market leadership and, at the same time, achieving greater efficiency and synergy in existing activities. Especially the digital activities were expected to grow, both organic and acquisition-driven.
- TMG has adjusted the portfolio. Unprofitable or insufficiently profitable activities have been sold or terminated. TMG has undertaken some radical restructuring, which has entailed altering processes, combining activities and outsourcing a number of non-core activities. These measures have resulted in substantial cost savings and a decrease in the number of full-time jobs from 3,678 on the reference date at the end of June 2008, to 2,808 at the end of December 2009.

But TMG did not achieve the projected percentage growth in the EBITA margin in 2009.

- In 2009, the recession took a heavy toll on the revenues of TMG. The fact that, ultimately, TMG's operating result held relatively firm has everything to do with the rigorous focus on implementing the announced cost-cutting programme. The recurring EBITA margin declined from 9.1% in 2008 to 8.1% in 2009.
- TMG is steadfast in the goal of achieving a 15% margin. To achieve this, TMG is reliant not only on further growth in digital activities, but also on economic recovery.

## STRATEGY

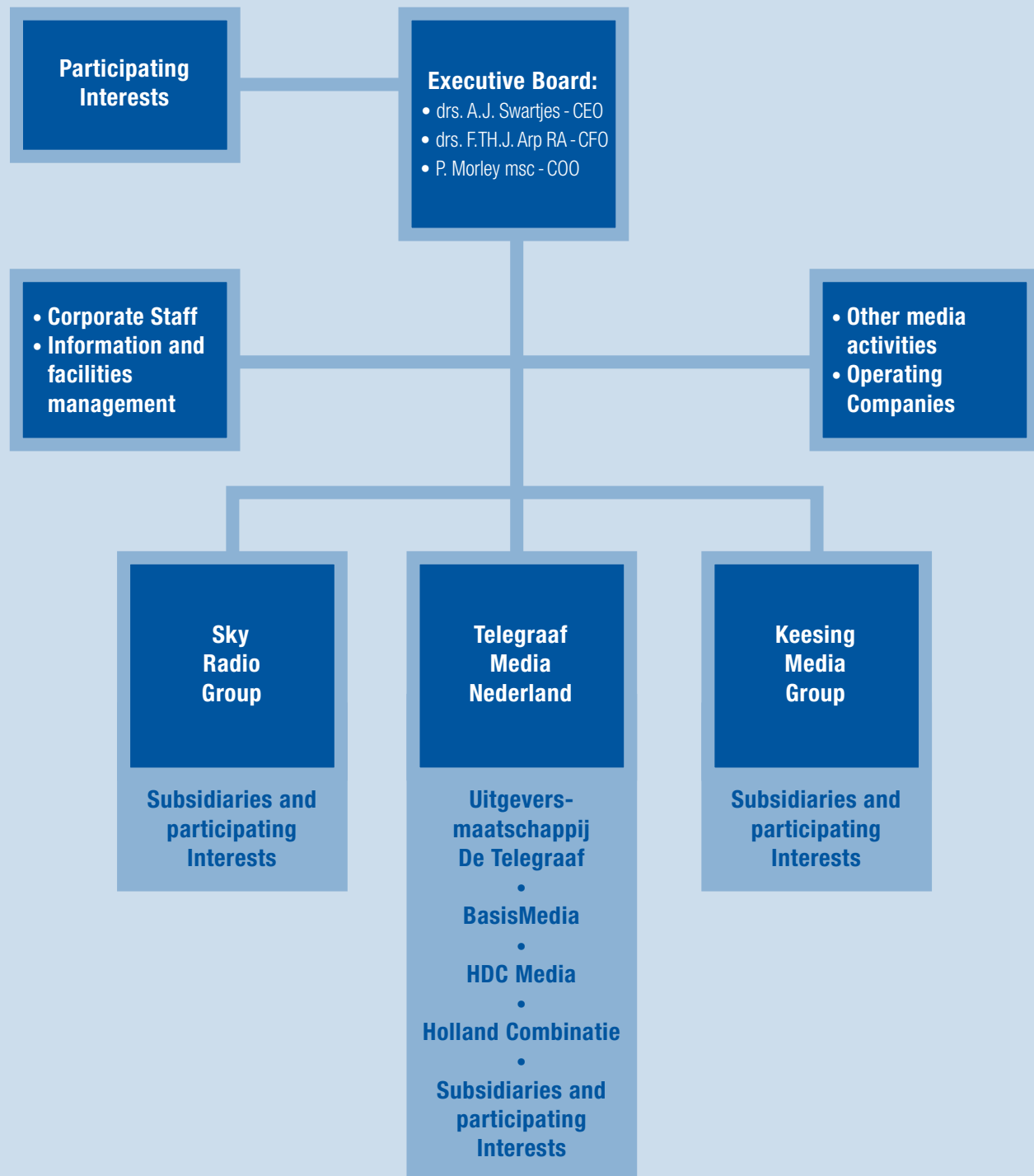
**TMG's enterprise strategy consists of the following elements:**

- TMG seeks growth by exploiting platforms of existing and new media, involving service to broad public interest groups, whereby advertisers are offered reach on the basis of integrated media concepts centred on information and entertainment, including news, music, puzzles and games.
- To expand reach, TMG is developing a portfolio of different types of media companies that complement print media and/or are innovative in relation to the publishers of print media (digital).
- Reaching the same general or specific public interest groups and communities via multiple media platforms creates opportunities for synergy, varying from integrated product concepts and propositions that combine 'old' and 'new' media to the cross-promotion of strong brands.
- Reducing fixed costs in core operating units is crucial for TMG to be able to adapt to the new reality and to be able to continue to invest in growth in the areas of print and digital.

# About TMG

## HEADLINES OF ORGANISATIONAL STRUCTURE

MARCH 2010



# About TMG

## KEY FIGURES

	2009*	2008*	2007*	2006*	2005*	2004*	2003	2002	2001	2000
Shareholders' equity x € 1,000**	<b>465,962</b>	411,576	866,815	498,041	530,468	444,643	428,333	454,079	464,761	500,057
TMG equity in percentage of the total equity and liabilities	<b>61.1%</b>	54.0%	70.3%	47.8%	68.8%	65.2%	64.5%	62.5%	60.6%	61.6%
Current ratio	<b>0.78:1</b>	0.7:1	2.64:1	1.04:1	1.08:1	1.23:1	1.06:1	0.98:1	0.72:1	0.70:1
Current gearing	<b>1.57:1</b>	1.17:1	2.37:1	0.91:1	2.20:1	1.87:1	1.81:1	1.67:1	1.54:1	1.60:1
Revenue TMG x € 1,000	<b>611,840</b>	684,204	738,795	784,460	736,686	686,853	683,556	704,462	822,220	811,147
Cash flow from operating activities x € 1,000	<b>49,252</b>	64,962	62,130	60,195	73,600	64,970	62,172	33,059	74,992	141,486
Net result x € 1,000	<b>70,505</b>	-359,988	400,097	49,599	65,428	22,125	-25,765	-4,913	-29,510	48,452
Net result TMG in percentage of the total revenue	<b>11.5%</b>	-52.6%	54.2%	6.3%	8.9%	3.2%	-3.8%	-0.7%	-3.6%	6.0%
Operating result in percentage of the total revenue	<b>-0.5%</b>	-5.4%	-3.8%	-2.1%	7.2%	1.1%	3.5%	3.1%	1.2%	9.9%
Average total revenue per employee (fte)	<b>204,743</b>	207,272	201,590	188,981	170,632	157,752	153,298	150,205	151,561	156,690
Personnel end of year (fte)	<b>2,988</b>	3,278	3,594	3,782	4,362	4,316	4,357	4,553	5,393	5,457
Return on equity	<b>15.1%</b>	-87.5%	46.2%	9.9%	12.3%	5.0%	-6.0%	-1.1%	-6.4%	9.7%
Pay out ratio	<b>23.7%</b>	p.m.	11.9%	50.0%	35.3%	23.6%	p.m.	p.m.	p.m.	41.3%
Per TMG share with a nominal value of € 0.35 (rounded to whole euro cents)										
Shareholders' equity	<b>9.76</b>	8.62	17.43	9.96	10.10	8.47	8.16	8.65	8.85	9.52
Cash flow from operating activities	<b>1.03</b>	1.35	1.24	1.20	1.40	1.24	1.18	0.63	1.43	2.70
Net result	<b>1.48</b>	-7.49	8.00	0.99	1.25	0.42	-0.49	-0.09	-0.56	0.92
Dividend	<b>0.35</b>	0.35	1.00	0.50	0.44	0.30	0.11	0.11	0.11	0.38
Lowest share price	<b>8.95</b>	8.86	19.69	19.00	17.06	16.05	13.00	13.00	14.00	20.80
Highest share price	<b>14.80</b>	24.86	26.87	23.00	20.64	18.90	19.00	24.47	22.90	37.00
Closing share price as at 31 December	<b>13.14</b>	12.45	25.00	19.85	18.25	18.25	17.99	15.44	17.09	21.60

\* Based on IFRS principles

\*\* Attributable to Telegraaf Media Groep N.V.

# About TMG

## PRODUCTS AND ACTIVITIES

### THE NETHERLANDS

#### Dailies

De Telegraaf  
[www.telegraaf.nl](http://www.telegraaf.nl)  
[www.dft.nl](http://www.dft.nl)  
[www.telesport.nl](http://www.telesport.nl)  
[www.Overgeld.nl](http://www.Overgeld.nl)  
[www.teleweer.nl](http://www.teleweer.nl)  
[www.vaarkrant.nl](http://www.vaarkrant.nl)  
[www.autotelegraaf.nl](http://www.autotelegraaf.nl)  
[www.reiskrant.nl](http://www.reiskrant.nl)  
[www.wuz.nl](http://www.wuz.nl)  
[www.regioselect.nl](http://www.regioselect.nl)

#### Splts

[www.spitsnieuws.nl](http://www.spitsnieuws.nl)

#### Noordhollands Dagblad

waarin begrepen:  
 Alkmaarsche Courant  
 Schager Courant  
 Enkhuizer Courant  
 Dagblad voor West-Friesland  
 Helderse Courant  
 Dagblad Kennermerland  
 Dagblad Zaanstreek  
 Dagblad Waterland  
[www.nhd.nl](http://www.nhd.nl)

#### Haarlems Dagblad

[www.haarlemsdagblad.nl](http://www.haarlemsdagblad.nl)

#### IJmuiders Courant

[www.ijmuidercourant.nl](http://www.ijmuidercourant.nl)

#### Leidsch Dagblad

[www.leidschdagblad.nl](http://www.leidschdagblad.nl)

#### De Gooi-en Eemlander

[www.gooieneemlander.nl](http://www.gooieneemlander.nl)

#### Almere Vandaag

[www.almerevandaag.nl](http://www.almerevandaag.nl)

#### Free local publications

De Echo (23 edities)  
[www.echo.nl](http://www.echo.nl)

Zondagochtendblad (10 edities)  
[www.zondagochtendblad.nl](http://www.zondagochtendblad.nl)

Witte Weekblad (21 edities)  
[www.witweekblad.nl](http://www.witweekblad.nl)

Amstelveens Nieuwsblad  
[www.amstelveensnieuwsblad.nl](http://www.amstelveensnieuwsblad.nl)

De Gooi- en Eembode (2 edities)  
[www.gooieneembode.nl](http://www.gooieneembode.nl)

Laarder Courant de Bel  
[www.laardercourant.nl](http://www.laardercourant.nl)

Nieuwsblad voor Huizen  
[www.nieuwsbladvoorhuizen.nl](http://www.nieuwsbladvoorhuizen.nl)

Vecht-Journaal  
[www.vechtjournaal.nl](http://www.vechtjournaal.nl)

Baarns Weekblad  
[www.baarnsweekblad.nl](http://www.baarnsweekblad.nl)

De Almare (3 edities)  
[www.dealmare.nl](http://www.dealmare.nl)

De Woonbode  
[www.woonbode.nl](http://www.woonbode.nl)

Haarlems Weekblad (2 edities)  
[www.haarlemsweekblad.nl](http://www.haarlemsweekblad.nl)

De Digitale Wijkkrant  
[www.wijkkrant-haarlem-oost.nl](http://www.wijkkrant-haarlem-oost.nl)

Heemstedse Courant  
[www.heemstedsecourant.nl](http://www.heemstedsecourant.nl)

Nieuwsblad IJmuiden  
[www.nieuwsbladijmuiden.nl](http://www.nieuwsbladijmuiden.nl)

Nieuwsblad Santpoort&Velserbroek  
[www.nieuwsbladsantpoort.nl](http://www.nieuwsbladsantpoort.nl)

Nieuwsblad De Kennemer  
[www.nieuwsbladdekennemer.nl](http://www.nieuwsbladdekennemer.nl)

Nieuwsblad voor Castricum  
[www.nieuwsbladcastricum.nl](http://www.nieuwsbladcastricum.nl)

Het op Zondag  
[www.hetopzondag.nl](http://www.hetopzondag.nl)

Alphen.cc  
[www.alphen.cc](http://www.alphen.cc)

De Zaankanter (2 edities)  
[www.zaankanter.nl](http://www.zaankanter.nl)

De Krommenieër  
[www.dekrommenieer.nl](http://www.dekrommenieer.nl)

Het Gezinsblad  
[www.gezinsblad.nl](http://www.gezinsblad.nl)

Westfries Weekblad (3 edities)  
[www.westfriesweekblad.nl](http://www.westfriesweekblad.nl)

Alkmaars Weekblad  
[www.alkmaarsweekblad.nl](http://www.alkmaarsweekblad.nl)

De Koerier  
[www.koerierheerhugowaard.nl](http://www.koerierheerhugowaard.nl)

De Duinstreek  
[www.deduinestreek.nl](http://www.deduinestreek.nl)

Helders Weekblad  
[www.heldersweekblad.nl](http://www.heldersweekblad.nl)

Schager Weekblad  
[www.schagerweekblad.nl](http://www.schagerweekblad.nl)

CTR/De Polderbode  
[www.polderbode.nl](http://www.polderbode.nl)

Wieringer Courant  
[www.wieringercourant.nl](http://www.wieringercourant.nl)

Wieringmeerbode  
[www.wieringmeerbode.nl](http://www.wieringmeerbode.nl)

Postiljon (5 edities)  
[www.postiljon-online.nl](http://www.postiljon-online.nl)

Delta (3 edities)  
[www.delta-nieuws.nl](http://www.delta-nieuws.nl)

Ons Utrecht  
 Ons Leidsche Rijn

# About TMG

Ons Nieuwegein  
Onze Vechtstreek  
Onze IJsselstreek  
Telstar Weekend  
Herault Weekend

## Magazines

Privé  
www.prive.nl

Autovisie  
www.autovisie.nl

VROUW  
www.telegraaf.nl/vrouw

Boten  
www.botentekoop.nl  
www.nieuweboten.nl

Campers en Caravans  
www.camperscaravans.nl  
www.nieuwecampers.nl  
www.campers.nl

Automaxx Magazine  
www.automaxx.nl

Nobiles Magazine  
www.nobiles.nl

Nobiles Carrière- en Traineeshipgids

Nobiles Juristengids

Nobiles Mastergids

## Puzzle magazines

Denksport  
www.denksport.nl

10 voor Taal  
www.10voortaal.com

Jan Meulendijks  
www.janmeulendijks.nl

Bingo!  
www.bingo.nl

## DIGITAL ACTIVITIES (not related to print brands)

### (mobile)Internet

www.carp.nl  
www.dumpert.nl  
www.gamert.nl  
www.geenfile.nl  
www.geenstijl.nl  
www.geenstijl.tv  
www.jaap.nl  
www.habbo.nl  
www.relatieplanet.nl  
www.respectance.nl  
www.scholieren.tv  
www.speurders.nl  
www.yourfuture.tv  
www.webregio.nl  
www.verwant.nl  
www.vacaturekrant.nl  
www.telegraaftickets.nl  
www.ticketsplus.nl (75%)  
www.autocircuit.nl  
www.woneninholland.nl  
www.vakantierecreatie.nl  
www.marinestore.nl  
www.mobelle.nl  
www.qnippos.nl  
www.zigiz.com  
www.quizwinners.nl

### Video Production houses

Info Pinnacle  
Carmichael & Pilarczyk  
Pilarczyk Mediagroep  
Telegraaf Media Nederland | Videomedia

### Video Formats

RTL Autowereld  
RTL Transportwereld  
Gek op Wielen  
Wielerland  
Jeroen TV  
PowNed op Veronica  
De Klas van 2009  
DFT Webinars  
Het Geld ligt op Straat  
Droomhuis Gezocht  
Ellen in de cirkel  
Hoe Moet Het

De Vraag Van  
Pan in het land  
100% VROUW  
Edison Pop Awards  
Fred & Ed  
Financieel Weerbericht  
Musical Awards 2009  
De Voorpagina

### Radio

Classic FM (64,2%)  
www.classicfm.nl

HitRadio (87,3%)  
www.hitradio.nl

Radio Veronica (87,3%)  
www.radioveronica.nl

Sky Radio 101 FM (87,3%)  
www.skyradio.nl

### Events

Het Careerevent  
De Masterbeurs  
AutoMaxx Streetpower  
Taxi Expo 2009  
Fleet Management Expo 2009  
Duitse Autosport Festival  
American Sunday  
Speed2009  
Trucks Power Festival  
MotorDay  
Concorso Italiano  
Automania  
AutoMaxx vs. Dutch Power Pack  
Japanse Autosport Festival  
Nationaal Oldtimer Festival  
Porsche Scene Live

### (Mobile) Telephone Services

Telefonische informatiediensten  
SMS/MMS gateway services  
0800/0900 services  
Mobiele websites  
Mobile video services  
Social Media Tools en websites

# About TMG

**Operating Companies**

Printing

[www.drukportaal.nl](http://www.drukportaal.nl)

Distribution

[www.tmgdistributie.nl](http://www.tmgdistributie.nl)

Transportation

[www.tmgdistriqttransport.nl](http://www.tmgdistriqttransport.nl)**INTERNATIONAL****Belgium**

Denksport

[www.denksport.com](http://www.denksport.com)

Sport Cérébral

[www.sportcerebral.be](http://www.sportcerebral.be)

Tazuku

[www.tazuku.be](http://www.tazuku.be)[www.habbo.be](http://www.habbo.be)**Denmark**

Tazuku

[www.tazuku.dk](http://www.tazuku.dk)

Tankesport

[www.tankesport.dk](http://www.tankesport.dk)**Germany**

ProSiebenSat.1 Media AG (6%)

[www.prosiebensat1.com](http://www.prosiebensat1.com)**France**

Sport Cérébral

[www.sportcerebral.fr](http://www.sportcerebral.fr)**Tazuku**[www.tazuku.nl](http://www.tazuku.nl)[www.sudokujeux.fr](http://www.sudokujeux.fr)

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