

 **WEGENER**

2007 Annual report





2007 Annual Report

Koninklijke Wegener NV
Laan van Westenek 4
7336 AZ Apeldoorn, The Netherlands
P.O. Box 26
7300 HB Apeldoorn, The Netherlands
Telephone +31 (0)55 – 538 88 88
Fax +31 (0)55 – 538 85 00
E-mail info@wegener.nl
www.wegener.nl

Apeldoorn Chamber of Commerce
trade registry no. 08006602

This annual report is also available via the group's website: www.wegener.nl

This is an English-language translation of Wegener's Dutch-language annual report for 2007, which is also available via the internet. Some elements that are not relevant to an international audience have been omitted. This version is not legally binding.

Contents

Page

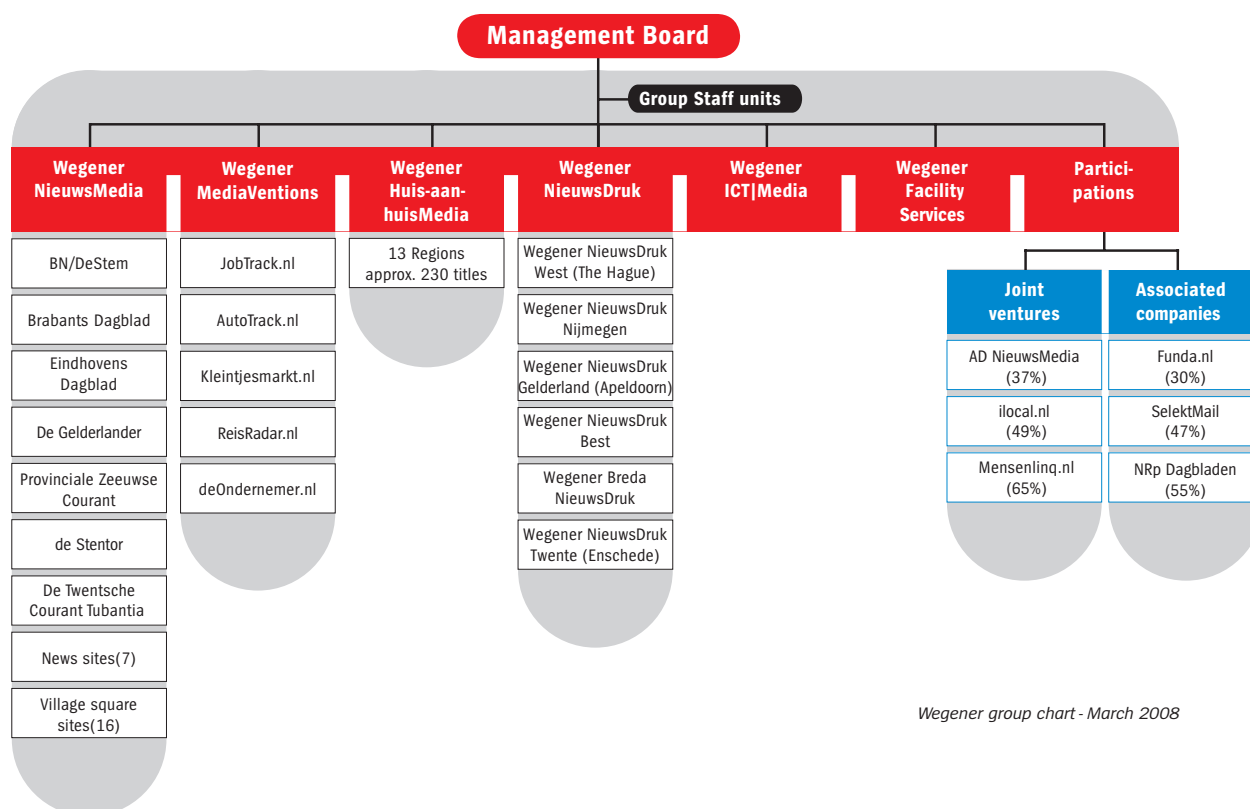
3	Royal Wegener in profile
4	Wegener: 10-year data
6	Wegener shares
7	Board members
10	Report of the Supervisory Board
12	Corporate governance
17	Remuneration report
20	Report of the Management Board
20	> Vision, mission, goals and strategies
22	> Financial review
27	> Risk management
31	> Outlook for 2008
32	> Developments by activity
32	- Wegener NieuwsMedia (daily newspapers)
36	- AD NieuwsMedia (37%)
36	- Wegener Huis-aan-huisMedia (free door-to-door newspapers)
38	- Wegener MediaVentions (Internet activities)
38	- Wegener NieuwsDruk (graphic production)
39	- Wegener ICT Media
39	- Wegener Facilitair Bedrijf (facilities services)
39	- Personnel and organisation
43	> Corporate Social responsibility
45	2007 Financial statements
46	> 2007 Consolidated financial statements of Koninklijke Wegener NV
46	- Consolidated balance sheet
48	- Consolidated income statement
49	- Consolidated statement of changes in equity
51	- Consolidated cash flow statement
52	- Notes to the consolidated financial statements
64	- Notes to the consolidated balance sheet
86	- Notes to the consolidated income statement
96	- Notes to the consolidated cash flow statement
98	- Events after the balance sheet date
99	- Consolidated group companies and associates
102	> 2007 Company financial statements of Koninklijke Wegener NV
102	- Company balance sheet
104	- Company income statement
105	- Notes to the company balance sheet
107	- Notes to the company income statement
108	> Auditor's report
111	Other information
112	> Profit distribution
114	> Share administration foundation report
114	> Financing preference share administration foundation report
117	> Preference share foundation report
118	Group companies and their activities, and important associated companies

Royal Wegener in profile

In November 1903, in the east-central Dutch city of Apeldoorn, Johan Frederik Wegener started publishing a news and advertising paper, which would later become *Apeldoornse Courant*. More than a century later, that small local publishing house has grown into today's leading group specializing in newspapers and multimedia, Koninklijke (Royal) Wegener NV, with its headquarters located in Apeldoorn, and listed on the Euronext Amsterdam stock exchange.

On 28 August 2007, Mecom Group plc ('Mecom') made an offer (the 'Public Offer') for the issued and outstanding issued share capital of Wegener, which was supported by the Management Board and recommended by the Supervisory Board of Wegener. On 25 October 2007 Mecom completed the acquisition of 86.4% of the issued share capital of Wegener, which then became a member of the Mecom Group.

Wegener is the largest publisher of regional daily newspapers and free door-to-door papers in the Netherlands. Every day some 800,000 copies of Wegener's seven regional dailies are delivered to readers throughout a major portion of the country, reaching an average of 2.6 million readers daily. Wegener also produces some 230 free door-to-door newspapers and weeklies, which have a total circulation of about 8.6 million copies per week. In addition, Wegener develops and pursues opportunities involving internet products, including websites with millions of unique users. Another unit of the group provides printed products and graphic services to Wegener companies and external clients.



Wegener: 10-year data

Currency amounts in thousands of euros, except where indicated otherwise

	2007	2006	2005
Operating data			
Revenue	678,654	668,055	655,852
- change from prior year (%)	1.6%	1.9%	(17.8%)
Other income	3,049	11,694	36,820
Profit from continuing operating activities before exceptional items	65,027	53,369	51,360
- as % of revenue	9.6%	8.0%	7.8%
- change from prior year (%)	21.8%	3.9%	(6.8%)
Profit from continuing operating activities after tax	31,249	29,108	38,966
Profit/loss on discontinued operating activities after tax	1,238	(13,494)	(7,679)
Profit/loss	32,487	15,614	31,287
Attributable to:			
- equity holders of Koninklijke Wegener NV	32,492	15,525	30,729
- minority interests	(5)	89	558
Net profit after preference dividend and before exceptional items after tax attributable to equity holders Koninklijke Wegener NV	33,425	24,243	17,474
- as % of revenue	4.9%	3.6%	2.7%
Cash flow from operating activities	39,929	40,890	30,425
Cash flow from investing activities	(25,193)	28,076	15,135
Cash flow from financing activities	12,367	(72,094)	(85,438)
Balance sheet data			
Equity attributable to equity holders of Koninklijke Wegener NV	299,310	273,001	250,631
Minority interests	16	295	1,113
Subordinated loans			
Non-current liabilities	254,772	244,421	312,371
Current liabilities	221,732	248,331	282,162
Liabilities relating to assets classified as held for sale		4,843	
Total capital	775,830	770,891	846,277
Non-current assets	662,405	671,033	723,869
Current assets	113,425	93,026	122,408
Assets classified as held for sale		6,832	
Ratio of equity to total capital	0.39	0.35	0.30
Balance of interest-bearing loans less cash and cash equivalents (excluding cumulative financing preference shares)	165,810	173,639	210,414
Personnel			
Average number of employees (full time equivalents)	4,034	4,337	4,723
Staff costs	250,405	275,124	286,355
Average staff cost per employee	62.1	63.4	60.6
Average revenue per employee	168.2	154.0	138.9
Number of issued ordinary shares			
- average (in thousands)	44,802	44,525	44,389
- year-end (in thousands)	45,009	44,589	44,389
Data per ordinary share (in euros)			
Equity (excluding cumulative financing preference shares)	6.00	5.46	4.98
Earnings per share	0.69	0.31	0.69
Earnings per share before exceptional items (after tax)	0.75	0.54	0.39
Cash flow from operating activities	0.89	0.92	0.69
Proposed dividend per ordinary share or depository receipt		0.19	0.14
Year-end price	15.28	10.99	10.00

The 10-year data for the years 2007, 2006, 2005, and 2004 were drawn up based on International Financial Reporting Standards (IFRS). Data for the previous years (1998 through 2003) were drawn up in accordance with Dutch reporting requirements. The terminology in the table is based on IFRS.

	2004	2003	2002	2001	2000	1999	1998
	797,690	829,078	936,671	973,323	978,457	711,876	700,878
	(3.8%)	(11.5%)	(3.8%)	(0.5%)	37.4%	1.6%	(0.9%)
	27,266	3,061	32,885				
	55,125	41,571	55,279	71,719	124,795	67,350	57,683
	6.9%	5.0%	5.9%	7.4%	12.8%	9.5%	8.2%
	32.6%	(24.8%)	(22.9%)	(42.5%)	85.3%	16.8%	3.6%
	18,929						
	18,745	(57,858)	(6,638)	3,287	43,551	40,003	38,961
	184						
	12,261	11,054	17,918	28,784	57,715	41,786	38,961
	1.5%	1.3%	1.9%	3.0%	5.9%	5.9%	5.6%
	71,114	65,557	71,197	97,015	107,790	59,355	46,935
	26,242	(7,680)	12,995	(28,229)	(628,506)	(139,066)	(33,636)
	(68,575)	(52,650)	(124,550)	(32,523)	532,135	75,698	(6,808)
	203,308	287,282	351,679	375,541	388,966	177,757	133,971
	2,145	1,525	4,015	1,540	93	486	488
		90,000	90,000	90,000	90,000	40,840	40,840
	350,708	302,097	266,181	366,792	420,371	93,460	21,678
	344,546	235,124	329,596	334,431	299,421	171,202	159,157
	900,707	916,028	1,041,471	1,168,304	1,198,851	483,745	356,134
	723,888	730,606	838,673	910,411	958,947	310,007	181,847
	176,819	185,422	202,798	257,893	239,904	173,738	174,287
	0.23	0.31	0.34	0.32	0.32	0.37	0.38
	243,593	208,264	264,086	340,748	395,017	93,441	(8,891)
	6,098	6,642	7,468	8,020	7,796	5,826	5,716
	350,146	370,928	432,128	394,115	381,614	255,844	248,416
	57.4	55.8	57.9	49.1	48.9	43.9	43.5
	130.8	124.8	125.4	121.3	125.5	122.2	122.6
	44,389	44,389	44,389	44,389	41,656	35,491	34,963
	44,389	44,389	44,389	44,389	44,389	35,491	35,007
	4.58	5.20	6.65	7.18	7.49	5.01	3.83
	0.42	(1.30)	(0.15)	0.07	1.05	1.13	1.11
	0.28	0.25	0.40	0.65	1.38	1.18	1.11
	1.60	1.48	1.60	2.19	2.59	1.67	1.34
	0.13			0.23	0.32	0.39	0.39
	9.45	6.90	4.80	7.85	13.70	12.50	15.47

Unless otherwise indicated, the figures presented relate to continuing operations.

Wegener shares

Share capital

The depository receipts for the ordinary shares of Koninklijke Wegener NV are listed on Euronext Amsterdam Exchange. The nominal value of both the ordinary shares and the cumulative financing preference shares is EUR 0.30 per share.

Issued share capital at 31 December 2007 was EUR 15,929,568, consisting of 45,008,842 ordinary shares and 8,089,718 cumulative financing preference shares.

Several emissions of depository receipts for ordinary shares took place in 2007 when members and former members of the Management Board exercised option rights that were due to expire. This involved a total of 420,000 depository receipts.

A total of 38,880,948 depository receipts were exchanged for shares in 2007, so that there were still 6,127,467 depository receipts for ordinary shares as of 31 December 2007. Depository receipts had been issued for all of the cumulative financing preference shares as of 31 December 2007.

Shareholders

On 28 August 2007 the Mecom Group plc made a Public Offer for the depository receipts for ordinary Wegener shares. All holders of a substantial interest – with the exception of GovernanceforOwners LLP, and a number of smaller shareholders – accepted the offer.

As a result, as of 31 December 2007 Mecom Media Holding Holland BV (a subsidiary of Mecom Group plc) held 38,880,948 ordinary shares (86.4%). End of October 2007, Mecom also acquired the depository receipts for cumulative financing preference shares held by Telegraaf Media Groep NV and Delta Lloyd Levensverzekering NV, so that Mecom now holds 4,200,173 depository receipts for cumulative financing preference shares.

In total, Mecom's holding at 31 December 2007 represented 81.13% of the total capital of Koninklijke Wegener NV. GovernanceforOwners held 9.98% of the total capital as of 31 December 2007, in the form of depository receipts for ordinary shares. As of the same date, Koninklijke Wegener NV still held a package of 3,889,545 depository receipts for cumulative financing preference shares, purchased in 2006 and representing 7.3% of the total capital.

Important dates

<i>8 May 2008</i>	<i>General Meeting of Shareholders</i>
<i>20 August 2008</i>	<i>2008 Half-year report (before the start of exchange trading)</i>

Board members

Supervisory Board

R.W.F. van Tets (1947)

Chairman (to 1 November 2007)

Member, Audit Committee

Chairman, Management Compensation and Succession and Appointment Committee

Additional offices:

- > Advisor to ABN AMRO Bank Management Board (until May 2007)
- > Chairman, Supervisory Board, Arcadis
- > Chairman, Supervisory Board, Equity Trust
- > Chairman, Supervisory Board, Euronext Amsterdam
- > Member, Supervisory Board, Euronext
- > Member, Supervisory Board, IFF (Nederland) Holding
- > Member, Supervisory Council, Academic Medical Center, University of Amsterdam
- > Chairman, investment advisory committee, SFB (Dutch construction industry social fund)
- > Board member, Buhrmann Preference Shares Administrative Foundation

Initial appointment: 2001

Final term: 2005 – 2009

Mr. Van Tets stepped down from the Board as of 1 November 2007.

C.J.M. Stutterheim (1946)

Member, Audit Committee

Initial appointment: 2003

Final term: 2003 – 2007

Mr. Stutterheim stepped down from the Board as of the General Meeting of Shareholders on 25 April 2007.

J.A.J. Vink (1947)

Member, Management Compensation and Succession and Appointment Committee

Additional offices:

- > Chairman, Supervisory Board, Samas
- > Chairman, Supervisory Board, Aegon Nederland
- > Vice-chairman, Supervisory Board, Vion
- > Member, Supervisory Board, Nutreco Holding
- > Member, Supervisory Council, Wageningen University and Research Center
- > Member, Supervisory Board, Cargill
- > Member, Supervisory Board, Schuitema

Initial appointment: 2003 (interim appointment as of 3 July)

Present term: 2007 – 2011

Mr. Vink was reappointed to the Board as of the General Meeting of Shareholders on 25 April 2007.

R. Pieterse (1942)

Chairman, Audit Committee

- Additional offices:*
- > Chairman, Supervisory Board, Koninklijke Grolsch
 - > Chairman, Supervisory Board, Mercurius Groep
 - > Vice-chairman, Supervisory Board, Connexion Holding (until 31 October 2007)
 - > Member, Supervisory Board, Essent
 - > Member, Supervisory Board, CSM
 - > Chairman, VEUE (association of securities-issuing companies)
 - > Chairman, Share Administration Foundation, Koninklijke Victor Rijssen (until 30 April 2007)
 - > Chairman, Board of Governors, Governance University
 - > Chairman, Koningsheide Foundation
 - > Chairman, Dutch Goededoelenvesting (nonprofit auction) Foundation
 - > Board member, Protection Foundation, TPG
 - > Board member, European Association of Listed Companies (EALIC)

Initial appointment: 2004*Final term:* 2004 – 2008

Mr. Pieterse stepped down from the Board as of 1 November 2007 and was appointed as a non-executive director on the Board of Mecom in November 2007.

H.C.P. Noten (1958)

Chairman (from 1 November 2007)

Member, Management Compensation and Succession and Appointment Committee

- Additional offices:*
- > Vice-chairman, Supervisory Board, Mn-Services (organization overseeing retirement and pensions for metals industry)
 - > Chairman, PvdA (Labor Party) delegation, Upper House of Dutch Parliament
 - > Chairman ActiZ (as of 1 January 2007)
 - > Member, Supervisory Board, Smit Internationale
 - > Member, Supervisory Board, Univé (until 31 December 2007)
 - > Member, Supervisory Board, Oranjewoud Beheer (until 31 December 2007)
 - > Member, Supervisory Board, Roto Smeets De Boer
 - > Board Member, Share Administration Foundation, Moes
 - > Chairman, Social Plan Review Commission, ING Netherlands

Initial appointment: 2004*Present term:* 2004 – 2008

Mr. Noten was named Chairman of the Wegener Supervisory Board as of 1 November 2007.

R.J. van Schaik (1960)

- Additional offices:*
- > Member, Supervisory Board, LMG Netherlands:
 - > Member, Advisory Board, Elho International
 - > Board Member, OPOC Amsterdam (public primary education body) (until 31 December 2007)

Initial appointment: 2007*Present term:* 2007-2011

Mr. Van Schaik was appointed to the Board as of 1 November 2007.

From 1 November 2007, the Audit Committee and the Management Compensation and Succession and Appointment Committee consist of the entire Supervisory Board.

All the directors are male and have Dutch citizenship.

Management Board

J.C. Houwert (1949)

Mr. Houwert has been chairman of the Management Board since May 1996, having served as vice-chairman from 1992. From 1990 to 1992 he was managing director of Oostelijke Dagbladen Combinatie in Enschede. Before that, Mr. Houwert held various management positions in the publishing sector beginning in 1980.

As announced on 27 February 2008, Mr. Houwert will resign from his office as chairman of the Board of Wegener on 8 May 2008.

Mr. Houwert joined the Board of Mecom as an executive director in November 2007 following the completion of the Mecom Public Offer for Wegener shares. As of 8 May 2008 Mr. Houwert will become a non-executive director instead of an executive director on the Mecom Board.

J. Wegstapel (1955)

Mr. Wegstapel was appointed a member of the Management Board in July 1988. He worked for Wegener from 1993, serving as group controller and financial director. His previous employment included positions with Andersen Consulting and Hartman Group. Mr. Wegstapel stepped down from the Board as of 15 March 2007.

C.G. Boot RA (1960)

Mr. Boot was named to the membership of the Management Board and appointed Chief Financial Officer in April 2007. A Registered Accountant, he has worked for Wegener since 1999, principally as group controller. Previously, he worked with Royal Friesland Foods, Ernst & Young Accountants, and PriceWaterhouseCoopers.

E.J.F. Busweiler (1950)

Mr. Busweiler was employed by VNU in a variety of positions from 1978, including director of Aldipress, managing director of VNU Business Publications, and managing director of Brabant Pers BV. In 1999 he became managing director of the VNU Dagbladengroep, which was acquired by Wegener in 2000. Mr. Busweiler was appointed to Wegener's Management Board in April 2000.

None of the board members holds a directorship in an exchange-listed company.

All the directors are male and have Dutch citizenship.

Report of the Supervisory Board

The Supervisory Board herewith submits to the shareholders for your approval the annual accounts for the year 2007, which have been prepared by the Management Board. These accounts have been audited and approved by Ernst & Young Accountants, and their unqualified audit certificate is provided with the accounts in this Annual Report.

We recommend that the General Meeting of Shareholders approve these accounts. Additionally, we ask the General Meeting to grant discharge to the Management Board and the Supervisory Board with regard to the conduct of their duties in 2007. Further, we recommend that you agree to the Management Board's proposal for distribution of the profits as set forth in this report. After consultation with the Management Board with regard to the developments during 2007, we endorse their proposal to declare no dividend to holders of depository receipts for ordinary shares, as well as to holders of ordinary shares. In addition, we endorse the Management Board's proposal to declare a primary dividend of 5.33% on the outstanding depository receipts for cumulative financing preference shares.

The Supervisory Board had six regular meetings in concert with the Management Board during 2007. In addition, the Board held two so-called separate meetings, not attended by members of the Management Board. In those meetings we primarily addressed the functioning of our board and of the Management Board, as well as the performance of the directors and the individual members of the Management Board. We concluded that both boards and their respective individual members function effectively.

In our joint meetings with the Management Board, we addressed regular topics, such as the annual accounts, the first-half report, the budget, and group strategy.

Along with this, five additional meetings – two of which were telephone conferences – were held, with four of these meetings joined by advisors from ABN AMRO Bank and from Catalyst Advisors. These meetings addressed all aspects of the proposal and Public Offer of Mecom Group plc as the sole topic. There was extensive discussion of the price of the Mecom Public Offer and the various conditions of the proposal. Also explored with the external advisors were details of the acquisition, such as possible eventual delisting of the shares and the future structure of the enterprise.

Almost all members of the Board were present at all meetings. Incidental absences of members because of urgent demands are unavoidable. The Board members therefore did not exhibit frequent absences as referred to in a Best Practice provision of the Netherlands Corporate Governance Code (the Code).

One or more Board members attended four consultative meetings of the Central Works Council. These meetings addressed the annual report, the half-year report, and Mecom's Public Offer.

The Audit Committee met three times during 2007, at which they discussed the 2006 annual accounts and the half-year figures. Attention also was given to matters such as developments in international reporting standards, impairment tests, the tax situation, the management letter, risk management, the audit procedure and functioning of the external accountant.

The combined Management Compensation and Succession and Appointment Committee met two times during the year. These meetings addressed topics such as pensions, bonus awards, the share option plan, and salaries for the Management Board. There was no change in the remuneration policy, which is set forth in detail in the remuneration report section of this Annual Report.

As announced in the Board's report for 2006, the Board appointed Mr. C.G. Boot as Chief Financial Officer and as a member of the Management Board. The Central Works Council endorsed this appointment, which was announced to the shareholders at the General Meeting on 25 April 2007. Mr. Boot had worked for Wegener as group controller since June 1999. His appointment is for four years. He succeeds Mr. J Wegstapel, who announced in December 2006 his intention to resign from the group, at his own initiative, as of mid-March 2007.

As announced on 27 February, 2008, Mr. Jan C. Houwert will resign from his office as chairman of the Board of Wegener on 8 May 2008. Our board wishes to express its deep appreciation for his substantial efforts and his important contributions to the development of the company.

At the General Meeting on 25 April, Dr. J.A.J. Vink, whose term of office was expiring, was reappointed as a supervisory director, following a positive response by the Central Works Council. At the General Meeting, Mr. C.J.M. Stutterheim resigned his membership in the Board.

After the Public Offer by Mecom was confirmed, the composition of the Supervisory Board was changed as of 25 October, as was decided at an Extraordinary General Meeting of Shareholders on 25 September. The total membership of the Board was reduced from five to three members, one of whom is to be nominated by Mecom. To implement the change, Messrs. Van Tets and Pieterse stepped down from the Board. Mr. R.J. van Schaik was proposed for membership by Mecom, and was appointed as of the General Meeting, an appointment that was endorsed by the Central Works Council.

As of year-end 2007, the Supervisory Board consisted of Messrs. Noten, Vink, and Van Schaik, with Mr. Noten serving as board chairman.

Because Mr. Van Schaik was proposed for appointment by Mecom, the Board declared that this does not contravene the principles and best practices for the Supervisory Board set forth in its regulations.

Mr. H.C.P. Noten's term of office as a director will expire as of the forthcoming General Meeting of Shareholders. He will be eligible for reappointment as a director, and at that time the Board will propose him for a new term of board membership lasting to 2012. His appointment is subject to an enhanced recommendation right of the Central Works Council, as provided by Dutch law.

Compensation of directors is not dependent on Wegener's results. None of the Supervisory Board members have share option rights. None of the directors had conflicting interests during 2007. None had personal loans, guarantees, or similar surety provided by Wegener, nor did any directors hold depository receipts for Wegener shares during 2007. It is the opinion of the Board that it meets the Best Practice provisions III.6.1 - III.6.3 set forth in the Code.

As was stated at the Extraordinary General Meeting in September, the Supervisory Board – both its former as well as its present members – is convinced that the acquisition by Mecom represents a positive step for all who are associated with Wegener. The Board is well aware that 2007 was a challenging year for the management and staff of Wegener. The Board is therefore very grateful to the Management Board, the management, and to all Wegener employees for their achievements in 2007.

Apeldoorn, the Netherlands, 12 March 2008
The Supervisory Board

Corporate governance

Structure of Koninklijke Wegener NV

Koninklijke Wegener NV is an enterprise under Dutch law, which has qualified for a mitigated two-tier board regime following revision of the company articles of association on 1 November 2007. The company's Management Board is responsible for developing objectives and strategy and for implementing the company's strategic and operational policy.

Management Board

The Management Board, in 2007 consisting of three members, constitutes a collegial team under the leadership of its chairman. As of the changes in the Articles of Association (bylaws) of Wegener on 1 November 2007, members of this board are appointed or dismissed by the General Meeting of Shareholders. Two members have been appointed for an indefinite period of membership. The Supervisory Board annually appraises the performance of the members of the Management Board. In carrying out its duties, the Management Board of Koninklijke Wegener is guided by the interests of the company and the enterprises associated with it. As a consequence, consideration is given to the interests of all parties involved in the company (stakeholders).

In accordance with the provisions of Article 20, paragraph 2, of the company articles, certain decisions proposed by the Management Board are subject to the approval of the General Meeting of Shareholders.

The Management Board also must receive approval from the Supervisory Board for a variety of significant corporate decisions set forth in the articles. The remuneration policy for the Management Board is established by the General Meeting of Shareholders. The remuneration of the individual members of the Management Board is determined by the General Meeting, with due observance of the group's remuneration policy.

During 2007, a performance-related plan to grant depository receipts for shares was converted into a plan for payout in cash. During 2007, members of the Management Board made use of their opportunities to exercise options granted under the former plan. All depository receipts for shares held by Management Board members were acquired in conjunction with the Public Offer by Mecom Group plc.

No transactions took place in the financial year of 2007 involving conflicting interests of material consequence for Wegener or the respective board members. This complies with Best Practice provisions II.3.2 - II.3.4 of the Code.

Supervisory Board

Wegener's Supervisory Board supervises and provides advice and support to the Management Board. The number of members, which had been five, was reduced to three members following acceptance of the Public Offer by Mecom Group plc. The Supervisory Board conducts its activities on behalf of the enterprise and its business operations, and the interests of all appropriate parties are taken into account in the board's decisions.

On a monthly basis, the Supervisory Board receives a report from the Management Board concerning the financial affairs of the company. In meetings with the Supervisory Board, the Management Board provides information on developments within the enterprise and on all topics relevant to Wegener.

Members of the Supervisory Board are appointed by the General Meeting of Shareholders. For this purpose, the Board puts forward one name per vacancy. The General Meeting of Shareholders and the Central Works Council have the right to make recommendations. In addition, the Central Works Council has enhanced recommendation rights with respect to appointment of one-third of the board members.

Wegener's Central Works Council made use of its enhanced right of recommendation in regard to the appointment of Mr. H.C.P. Noten in April 2004.

The terms of office of supervisory directors expire after four years of service, and reappointment is possible. The total term of service as a director is limited to twelve years.

The remuneration of the Supervisory Board is established by the General Meeting of Shareholders.

General Meeting of Shareholders

A General Meeting of Shareholders of Wegener is held on an annual basis. The agenda for this meeting always includes approval of the previous year's accounts, proposals concerning the reserves and dividend policies, any proposal for distributions of dividends, the granting of discharge for the conduct of their duties in the previous year to members of the Management Board, the request to grant comparable discharge to members of the Supervisory Board, and, as appropriate, the appointment of an external accountant (auditor).

Among the rights of the General Meeting is approving recommendations by the Management Board that would lead to a significant change in the identity or character of the enterprise, such as a decision to transfer most or all of its business to a third party.

Requests to place items on the agenda for a General Meeting are honored when made by holders of shares or depository receipts who – alone or jointly – represent at least one-hundredth (1/100) part of the issued capital, or whose holding amounts to a value of at least EUR 50 million according to the official price publication of Euronext Amsterdam Exchange. Such a request must be received by the Management Board or the chairman of the Supervisory Board at least sixty days prior to the meeting, and may not be incompatible with a substantial interest of the company.

Amendment of the Articles of Association

The following pertinent changes were made in amending the Articles of Association of Wegener on 1 November 2007:

The General Meeting is authorised to amend the articles and to make commitments on behalf of the company. Amendments to the rights of holders of cumulative financing preference shares require approval by a meeting of such holders.

In addition, the action on November 1 included the following changes:

- > cancellation of cumulative preference shares;
- > cancellation of restrictions with regard to holding and transfer of ordinary shares and financing preference shares;
- > cancellation of the requirement for the approval of the Supervisory Board for the issuing of shares;
- > transfer from the full two-tier board regime to a mitigated two-tier structure system, so that members of the Management Board are to be appointed by the General Meeting, rather than by the Supervisory Board;
- > cancellation of the formal combined meeting of the Management and Supervisory Boards;
- > introduction of a provision under which the General Meeting, along with the Supervisory Board, must grant approval for decisions to reserve a portion of profits;
- > a provision under which the decision to grant an interim dividend is subject to the approval of the General Meeting, rather than the Supervisory Board;
- > a provision that dividends and other payments are payable no more than 30 days after declaration; and,
- > cancellation of the requirement that the articles may only be amended after a proposal by the Management Board following agreement by the Supervisory Board.

Code of conduct

Wegener works with a customised risk management and control system. Consequently, Wegener has a Code of Conduct, which formulates the way in which Wegener deals with clients, readers, advertisers, shareholders and other parties involved either directly or indirectly with the company.

An important element of the Code of Conduct is the whistleblower provision, which states that employees have the opportunity to report suspected irregularities of a general, operational or financial nature that take place within Wegener without endangering their own legal position. There is also a complaints programme and procedure, which describes the safeguards in place for a fair and effective handling of complaints made by individual Wegener employees.

These provisions, and a few others, are set forth on the company's website www.wegener.nl.

Share administration foundation

The depository receipts for ordinary shares in Wegener that have been issued with the cooperation of the company are listed on the stock exchange. The share administration foundation of Wegener was formerly holder of 99.99% of the share capital issued in ordinary shares. After exchange of the receipts held by Mecom Group plc and its subsidiaries for ordinary shares, the foundation now holds 13.6% of the ordinary share capital.

Shareholders have the right to attend the General Meeting, to take the floor, and to exercise their vote. Holders of depository receipts have the right to attend the meeting and to take the floor. Under current statutory regulations, holders of depository receipts may apply to the foundation for a proxy authorising them to vote at a general meeting.

The foundation exercises its rights accruing to the shares under its bylaws in such a fashion that all those who are involved with the organisation are served in the best possible manner. The foundation report for 2007 is provided on page 114 of this annual report. The foundation board consists of five members, four of whom are fully independent of any connection to the company.

Financing preference share administration foundation

The cumulative financing preference shares in the capital of the company have been converted into depository receipts, and are held by the financing preference share administration foundation. The depository receipts for these shares are not exchange-listed.

The purpose of the foundation is to acquire and administer registered cumulative financing preference shares issued as part of Wegener's share capital with limited exchangeability, and to exercise all rights associated with these shares, such as voting rights. The board of the foundation consists of the same individuals who are directors of the share administration foundation. All outstanding depository receipts for financing preference shares that have not been redeemed are presently held by Mecom Group plc.

Preference share foundation

This body – Stichting Preferente Aandelen Wegener – was established as a protective foundation. It had been granted the right to acquire cumulative preference shares in an amount up to 50% of the issued ordinary share capital in the event of an undesirable or hostile takeover attempt.

After the completion of the Public Offer by Mecom Group plc and the associated changes to the articles, protective cumulative preference shares are no longer part of the company's capital structure. Accordingly, the preference share foundation was dissolved.

Measures regarding takeovers

The provisions set forth on 5 April 2006 based on the directives of the European Parliament and the Council of the European Union with regard to public acquisition offers have been adopted without change by Wegener. Further information on this topic may be found in this annual report, in the section concerning Wegener shares, page 6, and in the Other Information section, beginning on page 111.

Transactions with shareholders

In the financial year 2007 no transactions of material importance with shareholders took place. Thus this conforms to Best Practice provisions III.6.4 of the Code.

Non-conformance with Code provisions

The introduction to the Code explicitly states that non-conformance with its provisions may be necessary under certain circumstances. The application of all the provisions of the Code is, in the final analysis, dependent on the specific situation of an enterprise and its shareholders.

The following are specific exceptions from the provisions of the Code

- > After amendments of the Articles of Association canceling restrictions regarding the holding and transfer of ordinary shares, the function of issuing depository receipts as a protective measure became academic. The board of the administration foundation will operate as much as possible in accordance with Code provisions. While its activities are not fully consistent with the Code, the board believes it can function so that its provisions are in effect adhered to. The specific provisions involved relate to limited exchangeability of depository receipts for ordinary shares.
- > The objective of the share administration foundation is the exercise of all rights associated with the shares in such a way that the interests of Wegener, of all the enterprises linked to it, and of all parties involved with the company are guaranteed as well as possible. This deviates from a provision of the Code.
- > As indicated, in 2007 two members of the Management Board had appointments for indefinite terms of office. For now, and contrary to a Code 'Best Practice' provision, there will be no revisions to the current employment agreements with Management Board members. The Dutch civil legislation provides that employment contracts may be limited in time to a total of three years, after which they are deemed to be unlimited. The present law therefore means that an employment contract with duration of four years is in reality an unlimited agreement, since it extends beyond three years. The Code Commission has asked the legislature to amend the law in this respect. Wegener is awaiting legislative action on this matter, while trying to act in the spirit of the Code.
- > Establishing the remuneration of management directors is a right of the General Meeting of Shareholders, which is consistent with Dutch law but is a deviation from a Code provision.



Remuneration report

Remuneration of Management Board in 2007

In general, the compensation of the Management Board is based on market comparison and provisions of the Dutch Corporate Governance Code. The continuing aim of Wegener's remuneration policy is to attract, motivate, and retain talented, capable board members.

The basic tenets of the remuneration policy for 2007 and subsequent years are:

- > The remuneration level for the Management Board will be established in relationship to a reference group consisting of Dutch 'small cap' enterprises primarily oriented to the Dutch market.
- > The guideline for Wegener is the median level within the reference group.
- > The remuneration levels for board members are to be identical, with the chairman to receive a supplement to the basic level.
- > Performance standards, linked to short- and long-term variable remuneration, are aimed at long-term value creation.

Remuneration structure in 2007

The total remuneration package for members of the Management Board consists of:

- > Base annual salary
- > Annual results-related bonus
- > Long-term remuneration
- > Pension provisions

Ratio of fixed to variable remuneration

When Management Board members attain their performance goals, the average balance between fixed and variable remuneration is 65% fixed and 35% variable. This ratio is considered to be appropriate in light of the nature of the enterprise.

Employment market reference group

The reference group with which Wegener makes comparisons in establishing salary levels consists of ten Dutch 'small cap' companies primarily oriented to the Dutch market. The companies are: Schuitema, Sligro Food Group, USG People, Athlon Holding, Schiphol Group, Macintosh Retail Group, Koninklijke Vopak, Getronics PinkRoccade, Telegraaf Media Groep, PCM Uitgevers, TKH Group, and Ordina. In light of developments at some of these firms, the composition of the reference group will be reviewed during 2008.

Base salary

The target level for base salary is the reference-group median. This was the case for the chairman of the Management Board as of 2007 and the base salary level was therefore not changed. This was the case for one of the two other board members, while the base salary of the third member was altered in accordance with the median level for the reference group.

Bonus

Regarding the annual bonus, 70% is based on quantitative financial objectives, while 30% of the bonus is based on the discretionary opinions of the Supervisory Board with regard to established qualitative objectives.

The level of the bonus ranges from 0% to 40% of the base annual salary, and when performance goals are attained, 30% of base salary is paid to members of the Board as a bonus. If performance falls below a specified level, no bonus is paid. Performance above a specified performance level results in bonus payments of up to 40% of the base salary level. The financial objectives are aimed at two goals:

- > Return (for 60% of the weight), as measured on the basis of return on invested capital (ROIC).
- > Growth (for 40%), as measured on the basis of growth in earnings per share (EPS growth).

The management performance goals for 2007 were partly realised, while the other goals were fully realised.

The various objectives resulted in an average bonus percentage of 19.8% of base salary for 2007, to be paid in 2008.

Long-term remuneration

The board's performance-oriented share grant plan has been amended in connection with the Public Offer by Mecom Group plc. The revised plan consists of a conditional performance-related bonus paid in cash, under which the former conditional awards of depository receipts for shares, on the basis of a price of EUR 17.70 per share, have been replaced by comparable conditional awards in cash. The programme was otherwise unchanged.

The annual conditional award is based on 25% of base salary for the chairman, and 20% of base salary for the members of the Board.

The conditional shares awarded in 2005 have not been cashed, because the management performance targets have not been met. In 2007, the chairman and other members of the Board received grants of depository receipts for shares under the former plan in respective amounts of 8000, 5000 and 4000 depository receipts. The chairman of the Board relinquished his rights under this plan upon his announcement that he was stepping down as chairman of Wegener.

Pension

The pension program for members of the Management Board is based on the following principles:

- > Retirement age is 65.
- > The retirement pension to be attained is based on an average wage system with an accrual rate of 2.25% of the pensionable salary base, which is determined each year. The pensionable salary is the fixed salary less an amount related to the government old-age pension.
- > A survivor's pension is 70% of the retirement pension plus (to the extent this is allowed by tax laws) a temporary survivor's pension, until the age of 65, amounting to 20% of the retirement pension to be attained.
- > The employee's contribution is 9.6% of the pensionable salary.
- > Independent of the period of service and accumulated indexation, supplementary indexation is provided by the pension insurer. During the period of participation, an annual supplement is provided to a maximum of 1.5%, provided that assets on deposit are adequate.
- > For the portion insured by APW (the Wegener general pension fund), the indexation policy of APW applies for board members.

Early retirement and pre-pension program

The Board chairman, because of his age, will remain subject to a reduced payment level under the programme of the graphics sector. These programmes no longer applied to the other Board members. Wegener decided not to offset the reductions. The early retirement provisions related to salary levels more than 150% above the level for social insurance coverage remain applicable to the chairman. For one of the other board members, provision for coverage under an individual life-course plan was initiated in 2006.

Loans

No member of the Management Board has received loans or guarantees or similar dispensations from Wegener.

Employment agreements

Two members of the Management Board have been appointed for an indefinite period of time. Absent changes in regulations regarding this, no changes will be made to their employment contracts. One member was appointed during 2007 for a period of four years.

The present contracts of the members of the Management Board provide for a period of notice of 3 months in the event of termination by the board member, and a notice period of 6 months if the company terminates the agreement.

Individual redundancy agreements have been agreed with each member of the Board, and are related to the number of years that the member has been an employee of Wegener and/or his years of membership in the board. Redundancy agreements are based on the annual salary, defined as the base salary increased by the average variable salary for the three previous years.

Remuneration structure for 2008

The remuneration policy that applied in 2007 will in principle be continued in 2008. Changes are possible during 2008 in accordance with Mecom remuneration policy.

Report of the Management Board

Vision, Mission, Goals and Strategies

Vision

Wegener is an enterprise that provides news and information to consumers, primarily focused on their own living and work environments, and the reach of the vehicles to accomplish this is marketed to advertisers. This strategic choice in part stems from the fact that regional, local and 'nearby' content is highly distinctive, thereby representing high added value with substantial durability over time.

To retain Wegener's position as pre-eminent provider of information from and about the specific living and working environments of people in the regions it serves, it is crucial to ensure that the value of the information provided is superior in an ever more competitive media environment, with many such products free of charge. This places great importance on innovation. The Wegener regional dailies and free door-to-door papers are being developed to continue to be solidly perceived as 'best of class'.

Our environment is marked by the changing media-consumption patterns of consumers, the demands of advertisers, and the dynamics of the media landscape. Through a diversity of channels and with a broad, finely meshed portfolio of products, Wegener provides high-quality 'content' bearing on specific living and working environments. The online and print channels of each Wegener unit serve to strengthen one another mutually, on an ongoing basis.

We work continuously, and with a sharp focus, on new multimedia/cross-media initiatives.

The entrepreneurial character of the Wegener group – especially its ability to identify, capitalize on and integrate new activities, along with its efficient and effective use of the company's resources – ensures that Wegener maintains a leadership position in the dynamic market environment in which it operates.

Mission

On the basis of the group's profound regional involvement and expertise with regard to people in those living and working environments, Wegener provides meaningful information to consumers and makes regional target audiences available for marketing activities. The group places high value on conducting its activities in a socially responsible manner, innovatively and with integrity. The quality, effectiveness, and success of Wegener's products and services are the heart of the group's profitability. The group prizes the commitment of its people to achieving these objectives, and Wegener consequently seeks to be a responsive and challenging employer.

Goals

The central objective of the Wegener group is to conduct its activities in an effective, efficient, and profitable manner, so that shareholder value is created. This also assures a stimulating and challenging environment for all who are involved with the company. The group strives to achieve and maintain leading positions in the markets relevant to its activities.

Strategies

Following the recent divestments of its magazine activities, Wegener Golf and Party Publishing, in mid-2006, and divestment of the group's direct marketing activities and Wegener Fieldmarketing, in late 2006 and early 2007, Wegener now consists of an enterprise with a sharply targeted portfolio of regional and local media, with the group's regional dailies and free door-to-door papers, along with its diverse online activities, as the foundation.

Wegener's core competencies consist of:

- > Gathering information, primarily regional and local, and assembling good-quality, reliable information into valuable products that serve target groups; and,
- > Offering these regional target groups to advertisers, for a fee.

Changing patterns in media consumption and the corresponding changes in media expenditures are driving the strategic policy focus toward a transition to cross-media and multimedia activities. To support these developments, during the course of 2008 the online newsrooms will merge with the print newsrooms to enable all journalists to work on both print and online content and products.

Autonomous growth opportunities for the printed regional daily newspapers and the free door-to-door papers are limited. It is therefore essential that the result from these activities is maintained at a level that can adequately provide the resources to pursue the necessary initiatives to broaden the portfolio. This means that measures will be taken to align the group's products even more closely with the needs and desires of readers and advertisers. This goes hand-in-hand with a policy aimed at lowering the cost per unit product through improvements in efficiency and capitalizing on the benefits of scale, an approach extended to embrace the service-providing support activities, including graphic production, distribution, and ICT.

Maximising the potential of the existing online products plus development of new opportunities will lead to accelerated growth of these activities. To foster this, most of the multimedia activities have been brought together in a new operating company, Wegener MediaVentions. All of the group's experience and know-how in this field are thus available in a single entity, which – driven by the group portfolio policy – can operate so as to achieve highly specific growth. Being a part of Mecom Group will provide further impetus to the growth of online and innovative products.

Among additional measures is the further build up of so-called line extensions. On the basis of strong brand reputations and the linkage, often involving many years of faithful readership, between readers and their papers, other products and services – sometimes involving partnerships – will be offered under the flag of the brand of the newspaper and promoted to its readers. This offers attractive opportunities to the reader, strengthens ties with the newspaper, and creates a new income stream. And again, being part of Mecom Group will provide additional impetus to pursue such opportunities.

Financial review

The main developments in 2007 compared with the preceding year can be summarised as follows (in EUR millions, unless stated otherwise):

	Financial statements 2007	Excl. exceptional items 2007	2006	Financial statements 2006
Continuing operating activities				
Revenue	678.7	678.7	668.1	668.1
Profit from continuing operating activities	60.5	65.0	53.4	47.4
Margin	8.9%	9.6%	8.0%	7.1%
Profit for the year attributable to equity holders of Koninklijke Wegener NV	31.2	35.0	30.3	29.1
Operating profit before depreciation and impairment losses (EBITDA)	84.5	86.3	76.7	70.7
- margin	12.5%	12.7%	11.5%	10.6%
Average number of employees on a full-time basis	4,034			4,337
Total operating activities				
Profit for the year attributable to equity holders of Koninklijke Wegener NV	32.5	35.0	25.8	15.5
- per ordinary share (in EUR)	0.69	0.75	0.54	0.31
Profit from (total) operating activities	60.5	65.0	52.0	46.1
Operating profit before depreciation and impairment losses (EBITDA)	84.5	86.3	81.2	75.3
Net debt (interest-bearing loans less cash and cash equivalents)	165.8	165.8	173.6	173.6
Net debt / operating profit before depreciation and impairment losses (senior debt/EBITDA)	2.0	1.9	2.1	2.3
Equity	299.3			273.3
Balance sheet total	775.8			770.9
Solvency	38.6%			35.5%
Cash flows from:				
- operating activities	39.9			40.9
- investing activities	(25.2)			28.1
- financing activities	12.4			(72.1)
Net cash flows	27.1			(3.1)
Proposed dividend on ordinary shares				8.5
- per ordinary share (in EUR)				0.19

Reporting

The financial statements have been drawn up in accordance with the International Financial Reporting Standards as approved by the European Union. For information on the accounting policies used and the notes to the financial statements, please refer to the consolidated 2007 financial statements in this report.

In applying Wegener's accounting policies, the management has made judgements that have significant consequences for the amounts recognised in the financial statements and the notes thereto. Furthermore, in some areas estimates have been made of future developments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in any following financial year. For more details of these judgements and estimates, please refer to the relevant section in the section on 'Accounting policies' (page 53).

A distinction is made between continuing operating activities and discontinued operating activities in the financial statements. The discontinued operating activities relate to the direct marketing activities of the Wegener DM division and Wegener Fieldmarketing. The Wegener DM division was sold in October 2006, while Wegener Fieldmarketing was sold in February 2007. For further details, please refer to the relevant notes in the financial statements (page 52).

The company financial statements of Koninklijke Wegener NV were drawn up in accordance with Dutch laws and regulations, using the facility provided by law to apply the same policies to the company financial statements as to the consolidated financial statements. Equity at year-end 2007 and 2006 and the profit for 2007 and 2006 recognised in the company financial statements are equal to the equity and profit recognised in the consolidated financial statements insofar as such is attributable to the equity holders of Koninklijke Wegener NV.

Results

A comparison of the results becomes difficult as a result of deconsolidation effects and exceptional items. Deconsolidation effects primarily relate to the sale of magazine publishers Wegener Golf and Party Publishing in June and July 2006 respectively.

Revenue has increased by 1.6%; the increase in organic revenue was 2.2%.

Exceptional items in 2007 include non-recurring gains on the sale of companies, goodwill impairment, and consultancy fees in connection with the takeover by Mecom. The takeover by Mecom resulted in the early repayment of the credit facility. The capitalised financing costs for this activity have been written off.

Exceptional items for 2006 also include gains on the sale of companies and gains on the sale of real estate. In addition, in 2006 the company recognised the costs of reorganisation and the release of commitments for health insurance contributions during retirement.

Furthermore, in 2006 the currency translation reserve was transferred from equity to the income statement in connection with the sale of the direct marketing activities (recognised under discontinued operating activities).

The tax on profit includes the tax effects on all exceptional items insofar as the participation exemption is not applicable. Following the sale of the activities of Wegener DM UK in 2006, the UK shell companies were liquidated in 2007. The financial statements for 2006 included a tax receivable in connection with these liquidation losses.

Gains on the sale of companies relate to the share in BV Algemeen Nederlands Persbureau ANP and, in 2006, Wegener Golf and Party Publishing.

Continuing operating activities

The development of profit from continuing operating activities before exceptional items of Wegener is summarised below (in millions of euros):

	2007	2006	Change
Advertisements in Wegener daily newspapers	180.1	173.7	3.7%
Advertisements in AD NieuwsMedia (37%)	27.5	31.0	(11.3%)
Advertisements in free door-to-door papers and newspapers	167.6	158.5	5.7%
Subscriptions to Wegener daily newspapers	196.0	194.1	1.0%
Subscriptions to AD NieuwsMedia (37%)	36.4	37.3	(2.4%)
Graphic products	43.3	44.8	(3.3%)
Internet products	15.2	11.9	27.7%
Other revenue from newspaper activities	12.6	12.2	3.3%
	678.7	663.5	2.3%
Other publishing activities		4.6	
Total revenue	678.7	668.1	1.6%
Cost of raw materials and stores	73.6	70.0	5.1%
Cost of work subcontracted and other external charges	140.1	143.9	(2.6%)
Staff costs	250.4	258.3	(3.1%)
Other operating expenses	128.3	119.2	7.6%
Operating profit before depreciation and impairment losses (EBITDA), before exceptional items	86.3	76.7	12.5%
Depreciation	21.3	23.3	(8.6%)
Profit from continuing operating activities before exceptional items	65.0	53.4	21.7%

The increase in revenue is mainly due to advertising revenue of the Wegener daily newspapers, free door-to-door newspapers, subscriptions to Wegener products and revenue from Internet products. The increase in advertising revenue from the Wegener daily newspapers primarily relates to the growth in job advertisements. The increase in advertising revenue for free door-to-door newspapers is partly due to the successful switch to tabloid format in February 2007. In addition, price increases have been effected. In 2007 the average paid circulation of Wegener daily newspapers fell by 0.7% compared with 2006. Internet sales have increased, mainly as a result of higher revenues from *AutoTrack* and *JobTrack*. Revenue from other publishing activities related to revenue from magazine activities until mid-2006.

The costs of raw materials and stores were higher mainly due to the increase in paper prices. The lower costs of subcontracted work and other external charges is attributable mainly to lower volumes of subcontracted graphic activities and lower other direct costs.

Staff costs were down mainly due to the smaller average size of the workforce. In 2006, there was still an average staffing level of 4,337 FTEs. In 2007, this fell by 7.0% to an average of 4,034 FTEs. The average staffing level was also lower due to the reorganisation carried out at Wegener NieuwsMedia.

Depreciation was lower due to the sale of real estate and the lower investment level written off in 2007. In 2007, the first advance payments were made for investments in printing presses in Best. In the autumn of 2008, the first two presses will be operational and the printing shop in Breda will be closed. The other two presses will be taken into operation one year later. Depreciation of new presses begins as soon as they are taken into operation.

Profit from continuing operating activities before exceptional items rose from EUR 53.4 million in 2006 to EUR 65.0 million in 2007 (21.7%).

Discontinued operating activities

Discontinued operating activities relate to the direct marketing activities of the Wegener DM division and Wegener Fieldmarketing. The Wegener DM division was sold in mid-October 2006; Wegener Fieldmarketing was sold in February 2007. External revenue for 2007 amounted to EUR 1.6 million, compared with EUR 76.8 million in 2006.

The operating result for 2007 was nil (2006: loss of EUR 1.4 million).

The sale of Wegener Fieldmarketing resulted in a gain of EUR 1.3 million. A loss of EUR 32.8 million was recorded on the sale of the Wegener DM division. The sale of the UK direct marketing activities included in this action was in the form of an asset/liability transaction. The UK shell companies were liquidated in 2007. The liquidation loss resulted in tax income of EUR 34.3 million, which was recognised in the 2006 financial statements.

In 2007 the net profit from discontinued operating activities for exceptional items was nil (2006: net loss of EUR 4.4 million).

Earnings per share

The basic earnings per share attributable to holders of ordinary shares of Wegener rose from EUR 0.31 in 2006 to EUR 0.69 in 2007. Excluding exceptional items, the relevant earnings per share rose from EUR 0.54 in 2006 to EUR 0.75 in 2007, an increase of 38.9%. The increase (excluding exceptional items) was realised due to a higher operating profit, and despite higher finance costs and a relatively higher tax expense.

Financing and cash flows

Operating cash flows in 2007 were virtually identical to those in 2006 as a result of several factors. The operating result before exceptional items in 2007 was higher than in 2006. However, in 2007 withdrawals from reorganisation provisions were higher.

Additions to intangible assets and property, plant and equipment amounted to EUR 28.2 million in 2007, which is EUR 10.6 million more than in 2006. This mainly relates to the initial advance payments made for the investment in printing presses in Best. In 2007 the company reported higher revenues from the divestment of companies (magazines and direct marketing) compared with 2006.

The takeover by Mecom meant that the existing credit facility had to be repaid. In November 2007 Mecom took out a group facility that is also available to Wegener. This new financing arrangement has a term of five years.

On balance, the financing cash flows showed increasing debts in 2007. This increase should be considered in connection with the increased balance of cash resources, given that the net debt position has fallen in 2007. In contrast, 2006 saw the repayment of debts, including the repayment of part of the cumulative financing preference shares.

The net debt position fell on balance from EUR 173.6 million at year-end 2006 to EUR 165.8 million at year-end 2007. The senior debt/EBITDA (from continuing operating activities and excluding exceptional items) ratio showed a positive trend and fell to 1.9 for 2007 (2006: 2.1).

In 2007, the dividend paid to holders of ordinary shares in Koninklijke Wegener NV totalled EUR 8.5 million (2006: EUR 6.2 million). In addition, preference dividend payments in 2007 amounted to EUR 1.6 million. Equity increased from EUR 273.3 at year-end 2006 to EUR 299.3 at year-end 2007. On balance, solvency improved from 35.5% at year-end 2006 to 38.6% at year-end 2007.

The finance costs were considerably higher in 2007 compared with 2006. The finance costs in 2007 included a write-down of prepaid transaction costs of EUR 1.4 million relating to the former bank credit facility. If this exceptional item is excluded, the net financing costs have risen from EUR 11.3 million in 2006 to EUR 15.0 million in 2007. This increase must be attributed mainly to higher average net debt.

As of 2005, IAS 39 has applied, under which interest rate swaps must be recognised at fair value in the balance sheet. In light of the difference between the current market interest rate and the hedged interest rate, the interest-rate swaps that expired in 2007 had a negative fair value, and were therefore recognised in the balance sheet as a liability. The level of interest rate swaps concluded in the past is based on the original financial ratios. Through refinancing and accelerated repayments (primarily from gains on asset disposals), the direct relationship between interest rate swaps concluded and the outstanding finance debt no longer existed. These interest rate swaps were therefore non-effective hedges. This means that the variable market interest rate is recognised in the income statement and the (paid) difference between the higher hedged fixed interest rate and the variable market interest rate is charged to the interest rate swap liabilities in the balance sheet. The change in the value of the interest rate swaps arising from changes in the market interest rates is taken to the income statement.

In addition, in 2005 and 2006, new interest-rate swaps were concluded for the period 2007-2012 and 2007-2010 respectively. These interest-rate swaps, however, are effective hedges. The change in the fair value of these interest rate swaps is taken to equity.

Taxes

The effective tax rate for continuing operating activities in 2007, adjusted for exceptional items, was 29.0% (2006: 27.6%), which slightly deviated from the rate applicable to Wegener. The financial statements show a detailed reconciliation between the tax due under the applicable rate and the tax due under the effective tax rate.

Proposed dividend

The proposal is not to distribute dividend on ordinary shares for 2007.

In 2007, a dividend of EUR 0.19 was distributed on ordinary shares for 2006, amounting to EUR 8.5 million in total.

The Management Board has proposed distribution of a preference dividend on the cumulative financing preference shares of 5.33% per share of EUR 7.00, which is equivalent to a payable preference dividend of EUR 1.6 million. This proposal was approved by the Supervisory Board on 12 March 2008.

Payment of the preference dividend will take place as of 22 May 2008.

The 2006 proposed dividend on ordinary shares and the preference dividends on the cumulative financing preference shares are not recognised as a liability in the respective year-end balance sheets.

Risk management

Wegener recognizes that its strategies entail risks. External economic factors, the unpredictability of market developments, major disasters, as well as human factors all may constitute obstacles to achieving the group's business objectives.

Wegener endeavors to realize its strategic and operational objectives to the greatest extent possible. For this purpose, the group has established an effective risk-management and control system, which ensures that:

- > the risks associated with operations are identified in a timely manner and remain limited to an acceptable level;
- > there is a reasonable degree of certainty that the financial reporting does not contain inaccuracies of material importance; and,
- > there is compliance with applicable legislation and regulations.

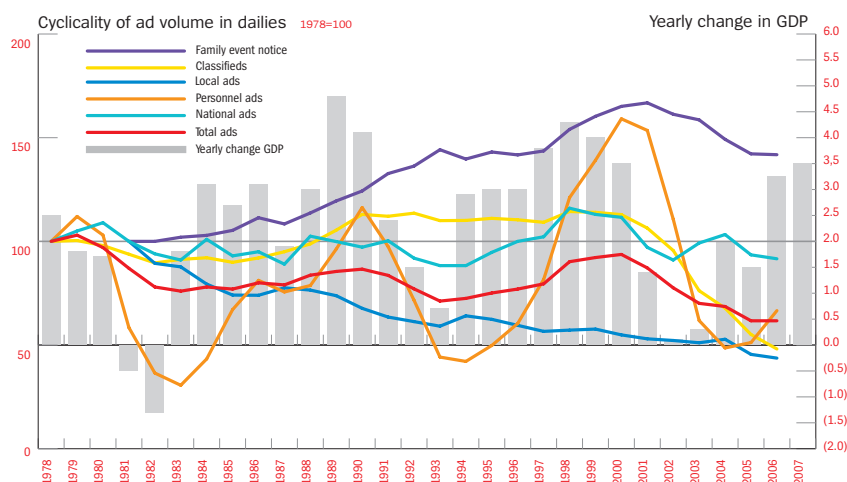
During 2007, Wegener gave further attention to the development of the risk management system and the structure allied with the system. The foundation is the requirement that all group companies provide a structured report on a quarterly basis concerning all identified risks. Following these reports, risks considered to be of import at group level are reported to the Management Board, and a full risk review is conducted in consultation with the Supervisory Board. This provides a supplement to the established procedures for the risk inventory. This structure is to be fully implemented in the organization during 2008.

Risks

A number of important risks specific to Wegener have been identified. However, the following summary of such risks is not necessarily exhaustive. It is possible that risks not presently identified, or not currently perceived as being of material consequence, may later have an important and negative impact on Wegener's profits and its ability to achieve its business objectives. The group's internal risk-management and control systems are geared to timely identification of such risks and changes.

Macro-economic developments

A portion of Wegener's revenues is greatly dependent on economic conditions. This primarily pertains to advertising, especially employment advertisements in the daily newspapers, for which revenues fluctuate with economic cycles. The chart shows changes in advertising volume for all Dutch daily newspapers (total market) for the various categories of advertising in relation to annual changes in gross domestic product from 1978 through 2006. Because a growing portion of dailies have been converted to tabloid format, which alters the framework for competing advertising volume based on millimeters, it was not possible to extend the analysis further to include 2007.



Changes in readership behavior

The ongoing rise of other media means that consumers are spending less and less time reading a newspaper. Information reaches the consumer via other media more frequently and faster than via the paper. The paper therefore must focus more on interpreting the news and providing background information. The advent of free dailies has meant new competition regarding the price of the papers.

Paper prices

The price of paper fluctuates with economic changes, and this is particularly true of the rotary newsprint used in the production of newspapers. This is by far the most important resource used by Wegener. The world market for newsprint is cyclical. Periods of high economic growth drive increases in demand for newsprint, which are accompanied by price rises. In periods of decline, the opposite occurs. Increases cannot be fully offset by raising the level of prices for newspapers, and this therefore constitutes a risk.

Concentration of printing facilities

In striving to achieve the group's aim to enhance effectiveness and efficiency, the number of operating locations of Wegener's newspaper printing organization has been reduced from eight in 2000 to the present six, and a further reduction is intended in the coming years. The capacity utilization level of the printing process has increased accordingly. In addition, there is peak capacity utilization at night to accommodate morning publication times for the papers. The potential damage that could result from a disaster at a printing location or an interruption in the printing process has therefore increased significantly. In addition to a disaster and contingency plan established to guard against these risks, insurance companies conduct inspections regularly with a view to increasing the safety level of the facilities. This has been accompanied by a number of measures, such as sprinkler installations, compartmentalization, and virtually full-time staffing of the printing facilities.

Computer systems and networks

A major portion of Wegener's operating processes are based on automated systems and an infrastructure that facilitates communication between the various systems. These systems and networks play a key role in virtually all the group's activities. Associated with this has been a transition from decentralized to centralized processing and storage of data. While this advances the level of security of the data and the processes, disruptions to these systems and networks can represent a huge challenge to the operating processes.

Legislation and regulations

The nature of Wegener's activities means that the group must deal with a multitude of legal regulations, such as copyright protection, tax legislation, employee health and safety protection rules, media controls, individual and organisational privacy protection, environmental protection, and regulations regarding competition and free markets. Changes, including international ones, in legislation and regulation can impact on the group's operating practices. There is a risk that Wegener executives may not be abreast of relevant developments in legislation and regulations, thus leading to imposition of sanctions on Wegener that adversely affect business operations.

Project management

Wegener is regularly involved in major projects, such as automation programmes, acquisitions, replacement of printing presses, and similar processes. Major changes implicitly demand good project management and good management of the associated risks. Within Wegener, projects are undertaken on the basis of standardized project methodology. In 2008, a project management improvement plan will be pursued to identify ways to enhance the established project methodology.

Risk management and control system

The group's system of risk management and control has its foundation in a number of key elements.

The control environment

In general, the group strives to maintain a culture marked by openness, integrity, and a sense of social responsibility, making sure each employee understands the significance of these aspects of group culture, while at the same time ensuring strict adherence to all applicable laws and regulations. The formal code of conduct for Wegener and all group companies sets forth the general guidelines for conduct which all employees are expected to embrace. As of 2005, this code has included a 'whistle-blower' provision to prompt employees to report irregularities and undesirable occurrences. Effective relationships with governmental bodies, the trade unions, and social organizations are highly valued.

Organisation

Wegener's organisational structure is based on supporting a collaborative approach within which individual responsibilities are clearly defined and performance is measurable. The fundamental concept stems from the goals of providing optimal services to clients and achieving efficiency by capitalising on the benefits of organisational scale and by professionalising the group's various business disciplines. These are given shape through a group structure of operating companies that conduct the daily newspaper, door-to-door papers, and graphic production activities, and which are directly responsible for results. Supporting services have been centralised where this is useful and necessary. Central group support departments with functional responsibilities strengthen the coordination of operations.

A number of procedures have been established to reinforce these concepts. They include a management manual, delegation of decision powers, investment approval procedures, a regulation on insider information, a human resources handbook, and a finance and control manual.

The effectiveness of the management of group operating companies is monitored through the group's formal planning and control cycle.

Risk inventory

An inventory of the risks relevant to the group's operations is an integral element in the process of managing the enterprise, particularly in establishing multi-year plans, drawing up the annual budget, and planning major projects. In addition, risk inventories are regularly conducted in specific areas, including employee health and safety, environment, and ICT. In 2007, implementation of the risk management structure was begun, so that as of mid-2008 all group companies will be reporting quarterly concerning identified risks on a structured basis.

Information, communication, and process security

The primary function of internal information and communication systems is to assure that all staff and supervisors have adequate information about their own areas of responsibility, so that they can direct their efforts toward making an optimal contribution to achievement of the group's objectives. Specific group procedures, documented in group manuals, guide this process. Procedures for 'whistle-blowing' and for internal complaints permit any employee to bring undesirable situations to the attention of group management.

The Management Board monitors developments in operating activities by conducting regular discussions with the management of operating companies, supported by periodic management reports.

Control activities

A number of group activities are aimed specifically at risk management, information provision, and reporting. Central to this is a structured planning and control process, which is set forth in the finance and control manual. The planning and control cycle consists of a strategic plan drawn up annually, and which includes a medium-term prognosis; an annual budget; periodic projections of annual financial results; and a monthly financial and management report. The reliability of the information flows is assured through an efficient administrative structure that requires all important procedures to be documented in writing. Disaster plans have been established for specific operating processes, primarily printing operations and ICT functions.

An appraisal of the effectiveness of the administrative organization and the procedures to assure continuity of the information systems forms a major and integral element of the annual detailed review by the external auditors. Along with this, external experts conduct operational and EDP audit investigations on a regular basis.

Evaluation of risk-management and control systems

The status of the risk-management and control systems is evaluated using the COSO-II framework as a guideline, and findings are discussed within the Management Board and with the Supervisory Board and the Audit Committee.

On the basis of this evaluation, the group management believes that there is reasonable certainty concerning the following matters:

- > there is systematic assurance of the manner in which strategic and operational goals are achieved;
- > the financial reporting for 2007 does not contain inaccuracies of material importance; the risk management and control systems functioned properly during 2007 and there are no indications that these systems need to be altered in the coming year; and,
- > there is compliance with applicable legislation and regulations.

No matter how well the group's risk-management and control systems may be structured, they cannot offer absolute certainty that objectives in the areas of strategy, operations, reporting, and observance of legal and regulatory requirements will always be faithfully achieved. When it makes decisions, the group's management is therefore mindful of the following factors:

- > there can be human errors of judgment;
- > cost/benefit considerations always are an implicit aspect of accepting risks and applying control measures;
- > people can make simple mistakes or errors of judgment that have huge consequences;
- > executives could conspire to circumvent internal control measures; and,
- > the management of a group unit may, perhaps even temporarily, ignore the obligations it agreed with the Management Board.

Outlook for 2008

As it is only March, there is yet little to say about the developments of the advertising revenues for the full year. However, we are confident of another improvement in operational margins before exceptional items this year.

Investments will rise in 2008 to approximately EUR 55 million, primarily for the project to expand and replace printing presses at Best.

Developments by activity

For Wegener, 2007 was both an important and a very special year. It started as planned, with concentrating the group's focus on core activities. After the sale of the direct marketing and magazine divisions in 2006, the group now consists of four operating divisions – daily newspapers, free door-to-door newspapers, multimedia, and graphic production – plus group functions for ICT, facility management, and procurement, along with a number of staff support departments: a transparent, clear organisational structure.

Without doubt, the most significant event of 2007 was the acquisition of 86.4% of Wegener's shares by Mecom Group plc of London, which included Mecom's purchase, early in March, of the approximately 25% holding of the shares owned by Telegraaf Media Group. The full acquisition was completed on 25 October. Within the Mecom Group, Wegener will continue to do business under its own name, including the honorary designation Koninklijk (Royal). The Mecom Group is now one of the leading newspaper publishing and content operating businesses in Europe with substantial operations in the Netherlands, Denmark, Norway, Germany and Poland, together publishing approximately 30 million copies a week and generating approximately 18 million unique website visitors per month.

Following the acquisition, Mecom's existing operation in the Netherlands, the Limburg Media Group, is to be integrated into Wegener so as to arrive at a single country division for the Netherlands. Preparations for this were started in late 2007.

While the Dutch Competition Authority (NMa) approved Mecom's acquisition of a majority of the issued shares in Wegener, it stipulated that in two of the country's southern regions, Southeast Brabant and Limburg, the free door-to-door newspapers (other than Bongers) of the "de Trompetter Groep", which is a division of the Limburg Media Group, would have to be sold to lessen presumed pressure on the regional advertising market.

Wegener NieuwsMedia (daily newspapers)

The daily newspaper market in the Netherlands is very much in flux. New players are entering the market, which is rapidly internationalising. Moreover, there is increasing competition with information products on the internet, often marketed by non-traditional publishers. An important trend that continued in 2007 was the growth of free information. The internet is making a great deal of news and information available without cost to consumers. This development has been magnified by the advent of free daily newspapers. With the introduction of *Dagblad De Pers* (Boekhoorn) and *DAG* (PCM/KPN) in 2007, the Dutch market now has four free dailies. New in this respect is that the two most recent additions have profiled themselves as quality newspapers. The regional dailies operate outside the country's western urban conurbation, the Randstad, and are least affected by the competition of these free dailies, which focus their distribution as well as their information on the Randstad.

These developments on the daily newspaper market mean that competitive relations have changed. The most recent data from Het Oplage Instituut (HOI), the Dutch media audit authority, show the following picture:

Distributed circulation of all dailies

All daily newspapers	Type		3rd quarter	3rd quarter	Change	3rd quarter
			2007	2006		2007
Wegener	Paid	Regional	826,892	845,333	(2.2%)	15.2%
MGL	Paid	Regional	192,120	195,312	(1.6%)	3.5%
Wegener/MGL total			1,019,012	1,040,645	(2.1%)	18.7%
AD NieuwsMedia (37% Wegener)	Paid	Reg/Nat	480,234	522,650	(8.1%)	8.8%
PCM Uitgevers *	Paid	National	676,513	678,853	(0.3%)	12.4%
DAG (PCM/KPN)	Free	National	341,142			6.3%
PCM Uitgevers total			1,497,889	1,201,503	24.7%	27.5%
HDC	Paid/Free	Regional	357,915	364,745	(1.9%)	6.6%
De Telegraaf	Paid	National	737,541	735,088	0.3%	13.6%
Spits	Free	National	359,818	352,532	2.1%	6.6%
Telegraaf Media Group total			1,455,274	1,452,365	0.2%	26.8%
NDC	Paid	Regional	250,714	254,838	(1.6%)	4.6%
Metro	Free	National	478,994	431,134	11.1%	8.8%
Dagblad De Pers	Free	National	464,580			8.5%
Other	Paid	Reg/Nat	272,296	268,962	1.2%	5.0%
Total all daily newspapers			5,438,759	4,649,447	17.0%	100.0%
Of which:						
Total paid regional dailies			1,635,489	1,665,332	(1.8%)	30.1%
Total paid national dailies			2,051,503	2,089,146	(1.8%)	37.7%
Total free dailies			1,751,767	894,969	95.7%	32.2%

* Including nrc.next, launched in 2006

Other includes the Dutch financial daily and the government gazette

Exclusive of Sunday newspapers

Source: HOI, Instituut voor Media Audit

On the basis of the situation reflected in the most recent data available, as of the third quarter of 2007, free dailies represent one-third of the market. The paid regional dailies have a market share of 30%, with the national dailies taking 38%. Wegener/MGL has a market share of 19%. The growth in the market is due entirely to the free dailies, and in particular to the introduction of the two titles that were launched after the third quarter of 2006.

The market picture for Dutch paid regional daily newspapers for the same period was:

Paid circulation, regional dailies

Regional daily newspapers	3rd quarter 2007	3rd quarter 2006	Change	3rd quarter 2007 Market share
Wegener	773,937	783,391	(1.2%)	51.7%
MGL	178,759	182,947	(2.3%)	11.9%
Wegener/MGL total	952,696	966,338	(1.4%)	63.6%
HDC (TMG)	231,655	234,077	(1.0%)	15.5%
NDC	225,480	230,398	(2.1%)	15.1%
Other	87,408	88,444	(1.2%)	5.8%
Total	1,497,239	1,519,257	(1.4%)	100.0%

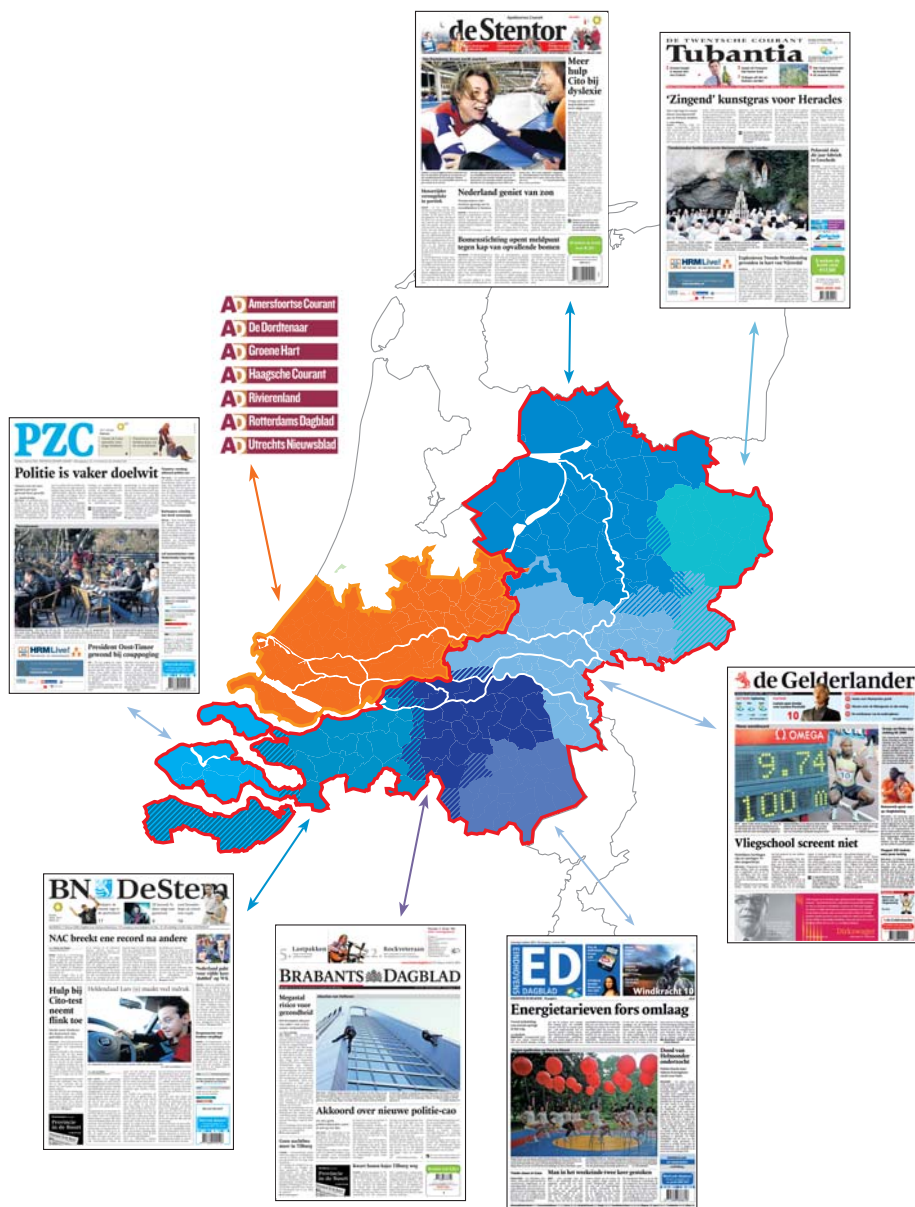
Source: HOI, Instituut voor Media Audit

In the market for regional (paid) daily newspapers, Wegener/MGL has a market share above 63%. The HDC unit of the Telegraaf Media Group is in second place with a share exceeding 15%, closely followed by NDC, with a share of about 15%. The paid circulation of all regional dailies is under pressure, with a loss of circulation of 1.4% in the period.

Because more and more dailies have switched to tabloid format, it is next to impossible to make a good analysis of developments in advertising volume. Page and millimetre data before and after a switch are not comparable.

For the Wegener dailies, the most important initiatives during 2007 were the conversion of the dailies into a new, standardised tabloid format formula and the restructuring of the organisation. After preparations in 2006 – including a pilot project carried out by *Eindhovens Dagblad* beginning in October – the other Wegener dailies were transformed into new tabloid papers as of 6 February 2007. Accompanied by an intensive promotional campaign directed both to readers and to advertisers, the operation proved successful. The number of paying readers increased, while advertisers showed a positive response as well. Guided in part by intensive market research, the rest of the year was devoted to further improving the formula of the newspapers. The organisation, formerly known as Wegener Dagbladen, is now operating as Wegener NieuwsMedia.

Throughout 2007, there were substantial efforts to make the new organisational structure a reality. The six more or less independent publishing units were integrated into a more centralised group structure controlled by a group management team organised with functional responsibilities. The object of the new structure was to achieve a more regional focus while also generating improved quality and lower costs, thanks to far-reaching concentration of all activities not specifically regional. The restructuring went well, the intended cost reduction was achieved, and at the end of 2007 the new organization was almost fully operational. The average number of staff on an fte (full-time equivalent) basis declined in 2007 by more than 8%.



The new newspaper formula, the intensive campaign that accompanied the switch, and the more professional organisation have brought about improvements in the development of paid circulation. The year-end data were:

Paid circulation Wegener dailies

Wegener daily newspapers	31-12 2007	31-12 2006	Change
BN/DeStem	108,514	111,176	(2.4%)
Brabants Dagblad	121,817	121,314	0.4%
De Gelderlander	141,889	142,787	(0.6%)
de Stentor	120,458	122,782	(1.9%)
Eindhoven's Dagblad	100,835	100,843	(0.0%)
Provinciale Zeeuwse Courant	51,021	51,554	(1.0%)
Twentsche Courant Tubantia	108,081	110,238	(2.0%)
Wegener daily newspapers	752,615	760,694	(1.1%)

Source: Wegener data

Although there was still a decline in paid circulation, it was much smaller than in recent previous years. Including benefits from a price rise, revenue from circulation in 2007 was 1% above the level for 2006.

In the advertising market, 2007 showed a 4% rise in revenues compared to the previous year. The most important motor behind this growth is turnover from staff recruitment ads, which increased by 19%, although growth slowed in the second half of the year. Placements by regional advertisers rose, primarily thanks to intensive market cultivation programs. Revenue from the national advertisers remained about the same as for 2006, in part reflecting the effect of the new price structure of the tabloid papers.

The group's consumer database is the resource for campaigns by its line and brand extensions department, which was formed and launched in 2007. The new department concentrates on the sale of products and services to the daily newspaper subscribers. A few successes could be chalked up in the initial year, including the sale of books, homeware products, DVDs and travel offers. This activity will be further developed on a European scale, working together with Mecom's other businesses, under the name of 'Enterprises'.

AD NieuwsMedia (37%)

AD NieuwsMedia – the joint venture with publisher PCM Uitgevers in which Wegener has a 37% economic interest and joint operational control – did not attain the anticipated result during 2007. However, the cost-reduction measures in 2006 and 2007 represented a step forward, and made it possible to record a positive operating result for the year. Nevertheless, the return remained behind the goal of the average level for this economic sector.

In the advertising market, local advertising generated good results, with clearly higher turnover. Revenues from personnel ads also grew. It was thus disappointing that a decline in turnover from national advertising had a negative impact on overall advertising revenue despite the change in the responsibility for the sale of national advertising. During 2007 this was assumed in full by AD NieuwsMedia, after initially being handled by PCM.

Development of AD NieuwsMedia

AD NieuwsMedia	2007	2006	Change
Paid circulation (yearly average)	443,034	478,852	(7.5%)
Revenue from circulation (37%) (EUR 1,000)	36,361	37,314	(2.4%)
Revenue from advertising (37%) (EUR 1,000)	27,511	31,005	(11,3%)

Improvement of the editorial formula resulted in higher reader appreciation.

A strong rise in the number of visitors to the AD internet news site helped strengthen its position. The site rose to become number three among Dutch news sites.

Wegener Huis-aan-huisMedia (free door-to-door newspapers)

The market for free door-to-door newspapers is highly competitive: a total of some 825 titles are published in the Netherlands, and an average household receives 3.5 such papers per week. The quality of this type of medium has greatly improved in recent years, and these papers have become popular among recipients and therefore among advertisers as well. A survey commissioned in 2007 by Wegener Huis-aan-huiskranten – operating since 1 January 2008 as Wegener Huis-aan-huisMedia (WHM) – showed that 92% of all consumers age 13 and older in the Netherlands sometimes read a free door-to-door newspaper. It is a true mass medium.



WHM's free door-to-door papers, which were included in the survey, reach 5.4 million consumers each week, which represents a coverage of 68%. This makes WHM the market leader, a position it was able to further strengthen in 2007.

The presentation of a large portion of the publications in a standardised formula and tabloid format – under the label 'De Weekkrant' (The Weekly), and which took effect 1 January 2006 – continued its success last year as well. Revenues from the local and the national advertising markets rose by a total of 6% compared to the level for 2006. With the demand by national advertisers for nationwide coverage growing stronger, in 2007 WHM started with preparations to introduce newspapers with the same formula in the northern part of the Netherlands. In January 2008 these products were launched in the provinces of Groningen and Friesland, while in Drenthe a collaborative venture was set up with Boom Pers in Meppel to tackle the national advertising market together.

In addition to preparing to introduce the website *deWeekkrant.nl*, along with developing newspapers for the northern part of the country, and continually improving the concept for *Dé Weekkrant* in 2007, WHM also developed a magazine for free distribution, entitled *Imago*. This high-quality publication, aimed at the top of the market both for readers and for advertisers, was introduced in January 2008 and will be published 11 times a year in ten regional editions with total circulation of 140,000 copies.

Wegener MediaVentions (Internet activities)

Wegener intensified its internet strategy in the first quarter of 2007. The objective is the rapid growth of internet and other products offered through new channels – such as mobile phone and IPTV – into fully-fledged publishing activities alongside the dailies and free door-to-door weeklies. Some existing activities were separated from the newspaper group and positioned as an independent entity in the Wegener organisation. This unit, Wegener Multimedia – now operating as Wegener MediaVentions – is also responsible for the development and management of the platform for the group's news sites. The daily newspaper publishers handle the regional implementation, such as generation of regional content and sales for the news sites.

AutoTrack retained its position as market leader, thanks in part to the introduction of an entirely revamped website, where aspects such as search function, information on and comparison of new cars, and history of used cars, were improved or added. In the first quarter of 2007 an interest was taken in *AutoTrust*, a company that sells guarantee policies for second-hand cars, thus enabling private individuals to sell their used cars under guarantee. At the end of 2007 this share was extended to 80%.

JobTrack benefited from the larger number of vacancies, retaining its third place in this highly competitive market. To make it more readily possible to conclude joint ventures with strategic partners, and also with an eye toward possible collaboration with third parties, *JobTrack* was incorporated as a separate private company (BV) in 2007.

Two new websites were developed and introduced during 2007. The first, *ReisRadar*, is a travel sector site on which consumers can compare the features of trips and book their selections online directly in the databases of participating tour operators.

The second introduction, a community site for small and medium-sized enterprises, was developed and introduced under the name of *deOndernemer*. This site is aligned with the monthly supplement to the Wegener daily newspapers bearing the same name, and thus offers regional business and industry a multimedia information package. A cooperative alliance was concluded with specialist publisher Kluwer Nederland for the supply of important parts of the content, such as legal and bookkeeping topics.

Funda, the Dutch site for house sales in which Wegener has a 30% interest, had a turbulent year. A change in management, termination of an adventure in Ireland, legal action against unbridled copying of the content shown on Funda, numerous new competitors, and finding a strategy that was supported by the largest shareholder, NVM – the Dutch association of real estate brokers – combined to create troubled waters for the site. Funda was nevertheless able to retain its position as absolute market leader.

Wegener NieuwsDruk (graphic production)

From early 2007, the attention of Wegener NieuwsDruk (WND) – formerly operating as Wegener Grafische Groep – was primarily focused on the planning and conversion of the presses for the production of the Wegener tabloid dailies. The first tabloid dailies came off the presses on 6 February 2007. The altered requirements of the publishers could be met with relatively small technical adjustments for stapling of the papers and some changes in capacity planning. The conversion in format for the free door-to-door weeklies, various special issues, and supplements took place earlier.

During the year, it was decided and preparations made to equip the presses in Enschede and Apeldoorn with extra colour facilities, so that the daily newspapers and free door-to-door papers can be printed on these presses entirely in full colour. This project will be completed in the first quarter of 2008.

The most important project of WND in 2007 was the integration and expansion of press capacity of the two printing plants in the southern part of the country, at Breda and Best. This involves replacement of the two existing presses at Breda and the addition of two identical new presses at Best, for a total of four new presses at that location. As a consequence, the printing facility at Breda is to be shut down at the end of 2008, and all dailies and other products will be accommodated at Best as of 2009. This project is part of a broader and ongoing endeavour aimed at decreasing and concentrating capacity.

Wegener ICT|Media

Wegener's ICT organisation made further strides in implementing its common systems/ common processes program within group companies during 2007. All publishers now operate using the same business process systems. This has also made it become possible to integrate all group company databases into a single database for the consumer market, and one for the advertising market.

In a further extension of the strategic choice to accommodate multimedia activities in a separate group company alongside the dailies and the free door-to-door papers, the ICT department of Wegener MediaVentions – previously an operating company subsidiary – was separated and brought into Wegener ICT|Media. This group company is thus now Wegener's full-service ICT organisation.

After office automation activities had been outsourced to Getronics PinkRocade in the previous year, activities involving networking, telephoning and similar functions were outsourced to the Colt/Imtech combine during 2007, once again including transfer of relevant working positions.

At the end of the year, preparations were under way to equip the Mecom Limburg units being integrated into Wegener to operate with the same 'common systems' of the Wegener companies. This is a requisite for integration of the organisation and for conversion of the dailies to the Wegener tabloid format.

The ICT services provided to AD NieuwsMedia were enhanced during 2007.

Wegener Facilitair Bedrijf (Facility services)

Wegener Facilitair Bedrijf BV (WFB), established as of 1 January 2007, provides services within Wegener in such areas as office accommodation and vehicle fleet management, and facility services such as catering, security, cleaning, and mail rooms. Wegener Bedrijfsvastgoed – the group's real estate unit – has been moved into this new operating company. In its first year of operation, WFB emphasized improvement of the accommodations of Wegener's various units, as well as seeking to reduce the total amount of rented space.

Personnel and organisation

Organisational development

Wegener NieuwsMedia carried out a significant reorganisation during 2007. The group structure, with six publishers in the regions, was formed according to the business plan. Virtually all activities not specific to a region are now centralised within three group domains: editorial, advertising sales, and consumer market, and within staff departments. This means that the publishers can focus sharply on their responsibilities in the regions they serve.

An element of the new strategy for the multimedia activities was to assemble these operations within a separate group company, Wegener MediaVentions. This was done, with the exception of operation of the news sites and the local 'village square' sites, which continues to be a responsibility of the respective publishers in the six regions.

For the free door-to-door newspapers, emphasis was on enhancing efficiency and effectiveness.

Wegener NieuwsDruk was heavily occupied with the organisational aspects of the expansion of the printing plant in Best and the associated future closure of the plant at Breda at the end of 2008.

The establishment of Wegener Facilitair Bedrijf, the new group company providing facilities services to all group units, took effect as of 1 January 2007.

Wegener ICT|Media outsourced an additional portion of its activities during 2007. Activities related to (mobile) telephony, networking, and comparable functions were outsourced to the Colt/Imtech combine, including the transfer of six employees, in November.

Employee development

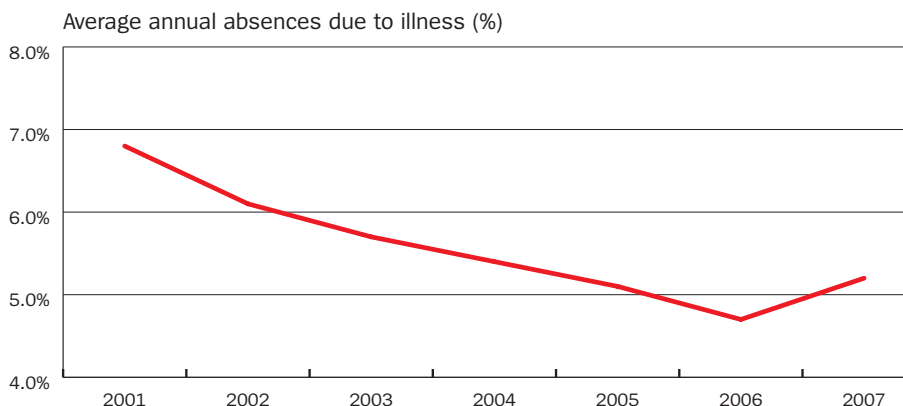
The widespread organisational changes had substantial impact on employees confronted with new products (tabloids), new job responsibilities, new working locations, and new supervisors. Consequently, the year saw a great deal of attention devoted to individual coaching regarding these change processes, chiefly in the form of various education and training activities. The editorial staff employees of the daily newspaper group were trained in writing for and producing the new tabloid papers. The advertising units of the daily newspaper group saw the rollout of a sales-improvement project, involving all staff in a diversity of training programmes. Within the door-to-door papers group, specific courses were provided by WHM Academy, the internal training centre.

In preparation for rollout of new office automation workplaces, which started in the second half of 2007, an e-learning module was developed for all employees. This equips them to practice both at home and in the office with the new versions of office software.

Health and safety

Following a careful selection procedure for health and safety services, in which the central works council was also involved, an agreement was concluded with a new health and safety service organisation in September. The new organisation introduced a new approach to absences and illness, one primarily aimed at prevention, by encouraging a healthy lifestyle. Healthier employees take fewer sick leaves.

The benefits of these measures will, over time, be manifest in lower absenteeism due to illness. Largely under the influence of the many organisational changes, absenteeism (excluding maternity leave) rose to 5.2% from the 4.7% of 2006.



The agreement with the health and safety service includes a performance clause based on attainment of goals concerning the level of absenteeism.

Working conditions and labour agreements

The three primary central labour agreements pertaining to Wegener were renewed during 2007:

- > Graphic media: Effective 1 February with duration of 36 months.
 - > Daily newspaper journalists: Effective 1 January with a duration of 27 months.
 - > Door-to-door newspaper journalists: Effective 1 January with a duration of 27 months.
- All three agreements include salary increases of between 2.6% and 2.75% in three steps, as well as attention to the matter of age-sensitive personnel policies.

In addition, the three agreements include the possibility for differentiation of compensation based on performance. The agreements also include provisions for dismissal and redundancy in reorganisations.

Pensions

The new Dutch pensions act, which took effect 1 January includes provisions regarding the structure of the management of pension funds under the heading of "pension fund governance". These rules provide for more oversight of fund managers and improved transparency. For the managers of APW – the general Wegener pension fund – this meant that 2007 included major activity to develop the new management model specified in the legislation. The managers and the works council agreed on the steps to be taken, the bylaws were amended, and new regulations were drawn up for all units of the fund.

In part thanks to the improved coverage level, a limited indexation was implemented on 1 July and another such step was taken in December. In both cases, the level of indexing was 0.52%

A new director assumed responsibility for APW on 1 February 2007.

Employee consultation

The intensive and pervasive projects that dominated the year notwithstanding, 2007 was yet again marked by constructive collaboration with the employee representation bodies. The issues raised during the year made great demands upon the central works council, the various local works councils, and the editorial boards and editorial commissions.

The Management Board is deeply grateful for the open, solution-oriented approach with which issues were addressed.

Most important among the issues discussed were:

- > The 2007 budget and investment programme
- > The 2006 annual report and annual accounts
- > The 2006 social annual report
- > Strategic policy for the planning period to 2010
- > Adoption of tabloid format and reorganisation of the daily newspapers
- > Integration of printing locations
- > Transfer of control to Mecom Group and the associated effects on group financing
- > Wegener general pension fund
- > New health and safety services contract
- > New allowance arrangement for commuters

A number of the consultative meetings were attended by a delegation from the Supervisory Board.

Word of thanks

The year was in many respects extraordinary. Market developments prompted the management to take rigorous measures in the organisation of the group's divisions and service units. These made Wegener stronger and fostered an improved result, an achievement and a level of performance in which all Wegener employees can take great pride. The Management Board is most grateful for the manner in which these results were achieved.

The most significant change for 2007 was, of course, the acquisition of majority ownership of Wegener by Mecom Group, which took effect on 25 October 2007. The Management Board is convinced that this transaction will further strengthen Wegener, and thus guarantee the continuity of the company over a longer period, in a larger and more international working environment.

The Management Board offers its gratitude to the management, to Wegener employees, and to the consultation bodies for the constructive and co-operative manner in which the changes in the organisation and its objectives were realised.

Corporate social responsibility

Wegener recognises that the sustainability of an enterprise and all considerations related to this goal are influenced by the policies it selects. The company has designated social responsibility as a foundation stone of the mission of the group. In this context, Wegener took concrete steps in 2005 with introduction of the Code of Conduct for Koninklijke Wegener and its group companies. This code sets forth how the company seeks to behave and what is required of its employees with regard to such matters as observing laws and regulations, integrity, openness, proper conduct with colleagues, concern for working conditions and safety, concern for the environment, and involvement with society.

Social involvement is inseparable from Wegener because of the substantial and crucial impact of the media on society. As publisher of regional daily newspapers, free door-to-door newspapers, and internet products, Wegener operates deeply within the fabric of the regional societies to which these products are provided.

Journalistic reporting entails a significant social responsibility, thus demanding a high degree of care and integrity. This is to a large extent assured by the editorial statutes of each daily newspaper, which give particular emphasis to journalistic responsibility, autonomy, and unbiased independent reporting. Through the journalistic products it supplies, Wegener makes a significant contribution to the knowledge level and development of awareness within Dutch democratic society.

The importance of the individual client, the Dutch citizen, is central in developing the group's strategic and operational policies. The dynamic character of the media world demands that there be constant dialogue with both readers and advertisers. Reader panels allow consumers to react to the content of the group's newspapers, and customer satisfaction surveys are conducted regularly, while periodic use and appreciation studies illuminate the wants and needs of the group's clients. To an increasing extent, readers and site users are themselves given ample opportunity to contribute to the content of the newspapers or the wide range of internet products.

Social involvement also is expressed via the group's publications and multimedia products, through collaborative alliances, sponsorships, and the provision of editorial coverage as well as free advertising space. Wegener's dailies and free door-to-door newspapers give coverage to innumerable regional and local activities and initiatives in fields such as culture, sport, charitable projects, public information, education, and leisure-time activities.

With this perspective, Wegener became one of the founding members of Fonds Slachthofferhulp, a charitable foundation devoted to victims of crime, roadway accidents, and disasters. The foundation supports and seeks to improve the circumstances of victims and their companions or survivors. Another example of Wegener's corporate activities is its support of the Freevoice Foundation, which stimulates the development of independent media in Eastern European, African, and Latin American countries. Its goal is to strengthen the democratic process and the role of independent media in these countries.

Wegener's success is determined by its people. The group therefore strives to create a positive working environment, one within which each employee can develop to an optimal extent, and which offers varied and safe work assignments. There are ample training facilities, and each year groups of young people who have completed their studies in journalism or management are intensively coached so as to foster their career development. Wegener believes that a good working environment and transparency for its employees are crucial. For this reason, the company has a code of conduct, 'whistle-blower' provisions, and a complaints procedure.

The Wegener organization works with distinct and clearly communicated guidelines for operating processes and regulations, all of which are set forth in manuals. Internal audits assure compliance with these mandates. Every Wegener employee is expected to be familiar with all of the legal and regulatory requirements that pertain to the group's operations, as well as requirements set forth by supervisory bodies. A matter of particular emphasis stems from the requirements of the Dutch personal data protection act (WBP). Since Wegener's publishers and internet activities make use of numerous databases containing personal details, compliance with the requirements of the WBP is closely monitored.

Wegener strives for good, open relationships with employee organisations and representative bodies. Each year, the group prepares a Social Annual Report, which is sent to all employees and is also available on the corporate website, www.wegener.nl.

The group's involvement in careful attention to the environment has been embedded in daily operations for many years. This involves preventing pollution, reducing the volume of waste materials, and minimising the consumption of energy. Wegener first issued an environmental declaration in 1994, and then renewed and updated it in a new declaration set forth in January 2005. This policy was worked out yet further during 2007. Among the group's accomplishments is the granting of full ISO 14001-2004 certification to all Wegener graphic production locations.

There was significant attention to implementing the improvement in environmental administration developed in 2006, so that information bearing on the relationship between purchasing and the waste flows is now available more rapidly and accurately. This has resulted in better insight into the generation of hazardous waste in the group's operations, and an action plan has been developed to further reduce this waste flow.

A new Dutch decree on reducing the volume of packaging paper and cartons, which took effect as of 1 January 2008, aims to reduce the volume of packaging material that reaches the consumer. Producers – including the group's graphic production facilities – are to be taxed based on the amount of packaging material they use, thus encouraging them to reduce usage of packaging materials wherever possible. Such efforts by Wegener will take shape in consultation with clients.

A renewed environmental policy plan was drawn up during 2007. Its priority is reduction of the volume of hazardous waste. In addition, various measures developed in the policy plan drawn up in 2006 were implemented in 2007. At the printing plants in Enschede and Apeldoorn, dust extraction equipment was installed to capture dust generated during start-up of production runs. Such cleaners are to be installed at the production location in Best.

Environmental considerations played a prime role in the selection of the new presses ordered for expansion of the facility at Best, thanks to which energy consumption will be reduced when they go into operation. After the shutdown of the plant at Breda, its two presses will be recycled by the producer, and will provide replacement components for other users.

Along with its financial annual report, Wegener publishes an Environmental Annual Report, which is available externally via the group's website, www.wegener.nl.

2007
Financial statements

**2007 Consolidated
financial statements of
Koninklijke Wegener NV**

**2007 Company
financial statements of
Koninklijke Wegener NV**

2007 Consolidated financial statements of Koninklijke Wegener NV

Consolidated balance sheet

At 31 December, before proposed appropriation of profit (in thousands of euros)

Assets

	notes	2007	2006
Non-current assets			
Intangible assets	1	540,299	540,590
Property, plant and equipment	2	98,761	94,224
Investments in associates	3	4,459	4,514
Deferred tax assets	8	13,893	25,823
Interest rate swaps	12	1,664	1,093
Other financial assets	4	3,329	4,789
		662,405	671,033
Current assets			
	5		
Inventories		2,993	3,205
Taxes		150	
Interest rate swaps	12	463	
Trade and other receivables		77,321	84,351
Cash and cash equivalents		32,498	5,470
		113,425	93,026
Assets classified as held for sale	26		6,832
		775,830	770,891

Equity and liabilities

	notes	2007	2006
Total equity			
Equity attributable to equity holders of Koninklijke Wegener NV	6	299,310	273,001
Minority interests		16	295
		299,326	273,296
Non-current liabilities			
Pensions	7	27,440	34,048
Deferred tax liabilities	8	7,402	3,229
Provisions	9	33,556	45,967
Interest-bearing loans	10	186,374	161,177
		254,772	244,421
Current liabilities			
Pensions	7	5,428	6,171
Provisions	9	21,127	29,895
Interest-bearing loans	11	11,934	17,932
Interest rate swaps	12		1,566
Trade payables		28,464	34,361
Taxes			893
Debts to group companies		954	
Other current liabilities	11	153,825	157,513
		221,732	248,331
Liabilities for assets classified as held for sale	26		4,843
		775,830	770,891

Consolidated income statement

(in thousands of euros)

	notes	2007	2006
Continuing operating activities			
Revenue	15	678,654	668,055
Other income	16	3,049	11,694
Revenue and other income		681,703	679,749
Raw materials and stores	17	73,603	70,039
Work subcontracted and other external charges	18	140,065	143,884
Staff costs	19	250,405	275,124
Amortisation of intangible assets	20	4,723	4,322
Depreciation of property, plant and equipment	21	16,535	18,923
Impairment of goodwill	1	2,652	
Other operating expenses	22	133,172	120,028
Operating expenses		621,155	632,320
Profit from continuing operating activities		60,548	47,429
Share of profit of associates		(708)	(201)
Finance revenue	23	856	3,993
Finance costs	24	(17,260)	(15,259)
		(17,112)	(11,467)
Profit from continuing operating activities before taxes		43,436	35,962
Taxes	25	(12,187)	(6,854)
Profit for the year from continuing operating activities		31,249	29,108
Discontinued operating activities			
Profit/loss for the year on discontinued operating activities after taxes	26	1,238	(13,494)
Profit for the year		32,487	15,614
Attributable to:			
- equity holders of Koninklijke Wegener NV		32,492	15,525
- minority interests		(5)	89
		32,487	15,614
Earnings per share (in euros)	27		
- basic, for profit for the year attributable to holders of ordinary shares Koninklijke Wegener NV		0.69	0.31
- basic, for profit from continuing operating activities attributable to holders of ordinary shares Koninklijke Wegener NV		0.66	0.62
- diluted, for profit for the year attributable to holders of ordinary shares Koninklijke Wegener NV		0.69	0.31
- diluted, for profit from continuing operating activities attributable to holders of ordinary shares Koninklijke Wegener NV		0.66	0.62

Consolidated statement of changes in equity

Before proposed appropriation of profit (in thousands of euros)

	Equity attributable to equity holders of Koninklijke Wegener NV							Total equity
	Issued share-capital	Share premium	Gains and losses arising from cash flow hedges	Retained earnings	Profit for the year	Total	Minority interests	
2007								
At 1 January 2007	14,637	164,360	770	77,709	15,525	273,001	295	273,296
Value changes in effective hedging interest rate swaps			814			814		814
Total income and expense for the year recognised directly in equity	-	-	814	-	-	814	-	814
Profit for the current year					32,492	32,492	(5)	32,487
Total income and expense	-	-	814	-	32,492	33,306	(5)	33,301
Issue of ordinary shares *)	126	3,098				3,224		3,224
Share plan of Management Board				(165)		(165)		(165)
Appropriation of profit for previous year				15,525	(15,525)	-		-
Dividends paid on cumulative financing preference shares for 2006				(1,567)		(1,567)		(1,567)
Dividends paid on ordinary shares for 2006				(8,489)		(8,489)		(8,489)
In connection with divestment/ acquisition of group companies						-	(274)	(274)
At 31 December 2007	14,763	167,458	1,584	83,013	32,492	299,310	16	299,326
This relates to:								
- ordinary shares	13,503	139,317	1,584	83,013	32,492	269,909		
- cumulative financing preference shares	1,260	28,141				29,401		
At 31 December 2007	14,763	167,458	1,584	83,013	32,492	299,310		

*) In relation to the exercising of option rights 420,000 (depository receipts for) ordinary shares have been issued.

2006	Equity attributable to equity holders of Koninklijke Wegener NV								Total equity
	Issued share capital	Share premium	Currency translation reserve	Gains and losses arising from cash flow hedges	Retained earnings	Profit for the year	Total	Minority interests	
At 1 January 2006	14,577	162,226	(9,885)	(127)	53,111	30,729	250,631	1,113	251,744
Exchange differences			(673)				(673)		(673)
Value changes in effective hedging interest rate swaps				897			897		897
Transfer to income statement			10,558				10,558		10,558
Total income and expense for the year recognised directly in equity	-	-	9,885	897	-	-	10,782	-	10,782
Profit for the current year						15,525	15,525	89	15,614
Total income and expense	-	-	9,885	897	-	15,525	26,307	89	26,396
Issue of ordinary shares *)	60	2,134					2,194		2,194
Share plan of Management Board					89		89		89
Appropriation of profit for previous year					30,729	(30,729)	-		-
Dividends paid on ordinary shares for 2005					(6,220)		(6,220)		(6,220)
In connection with divestment of group companies							-	(710)	(710)
Dividends paid by group companies							-	(197)	(197)
At 31 December 2006	14,637	164,360	-	770	77,709	15,525	273,001	295	273,296
This relates to:									
- ordinary shares	13,377	136,219		770	77,709	15,525	243,600		
- cumulative financing preference shares	1,260	28,141					29,401		
At 31 December 2006	14,637	164,360	-	770	77,709	15,525	273,001		

*) In relation to the exercising of option rights 200,000 (depository receipts for) ordinary shares have been issued.

Consolidated cash flow statement

(in thousands of euros)

	notes	2007	2006
Cash flows from operating activities			
Revenue and other income from continuing operating activities		681,703	679,749
Total expense of continuing operating activities		621,155	632,320
Profit from continuing operating activities		60,548	47,429
Operating profit/loss on discontinued operating activities		1,243	(34,161)
Adjustments for:			
- gains/losses on sale of non-current assets		(4,313)	21,092
- amortisation of intangible assets		4,723	8,315
- depreciation of property, plant and equipment		16,535	20,926
- impairment of goodwill		2,652	
- changes in working capital		(966)	(7,281)
- changes in provisions		(32,652)	(987)
Cash flows from operations		47,770	55,333
Dividend received from associates		637	330
Finance revenue received		856	954
Finance costs paid		(12,557)	(16,457)
Tax received		3,223	730
Net cash flows from operating activities	31	39,929	40,890
Cash flows from investing activities			
Acquisition of group companies		(692)	(2,830)
Sale of group companies		4,248	35,869
Capital contribution to associates		(651)	(386)
Purchase of intangible assets		(7,084)	(10,686)
Purchase of property, plant and equipment		(21,101)	(6,876)
Sale of property, plant and equipment		87	12,985
Net cash flows used in investing activities	32	(25,193)	28,076
Cash flows from financing activities			
Issue of ordinary shares		3,224	2,194
Repayment of cumulative financing preference shares			(27,227)
Higher/lower use of credit facility interest-bearing loans		19,199	(40,644)
Dividends paid to equity holders of Koninklijke Wegener NV		(8,489)	(6,220)
Dividends paid to holders of cumulative financing preference shares of Koninklijke Wegener NV		(1,567)	
Dividends paid by group companies to minority interests			(197)
Net cash flows used in financing activities	33	12,367	(72,094)
Net cash flows		27,103	(3,128)
Net foreign exchange difference		(75)	177
Changes in cash and cash equivalents	34	27,028	(2,951)
At 1 January		5,470	8,421
At 31 December		32,498	5,470

Notes to the consolidated financial statements

General

The 2007 consolidated financial statements of Koninklijke Wegener NV were approved by the Supervisory Board at its meeting of 12 March 2008. A news release concerning the 2007 annual figures was issued, before start of business on 13 March 2008.

Koninklijke Wegener NV has its registered office in Apeldoorn, the Netherlands; the depository receipts for ordinary shares are listed on Euronext Amsterdam.

The activities of Koninklijke Wegener NV and its group companies include publishing regional newspapers and free door-to-door newspapers, developing and exploiting internet products, and providing graphic products and services. These activities are carried out in the Netherlands. The 2007 financial statements have not been adopted by the shareholders. This adoption is on the agenda of the General Meeting of Shareholders on 8 May 2008.

On 28 August 2007, Mecom Group plc, based in London, issued a public offer for the shares in Koninklijke Wegener NV. In a news release issued on 25 October 2007, Mecom confirmed its public offer for the (depository receipts for) ordinary shares in the issued capital of Wegener. Mecom obtained 86.43% of the (depository receipts for) ordinary shares, as well as all the outstanding cumulative financing preference shares. Expressed as a percentage of the total share capital and excluding the depository receipts for ordinary shares, the total interest is 81.13%.

Intra-group balances

Koninklijke Wegener NV is part of Mecom Group, which is headed by Mecom Group plc, London. Mecom Group plc is a public limited company with its registered office in the United Kingdom. The ordinary shares in Mecom are negotiable at the London Stock Exchange Alternative Investment Market (UK: MEC). The financial statements of Koninklijke Wegener NV are incorporated into the consolidated financial statements of Mecom Group plc, London. Since 25 October 2007, Wegener's results have been included in Mecom's consolidated financial statements.

Basis of consolidation

The group companies in which Koninklijke Wegener NV has a direct or indirect interest and control are included in the consolidation. The assets and liabilities and the income and expense are included in full. The minority interests in equity and profit are shown separately. The financial statements of the group companies are prepared for the same reporting year and based on the same accounting policies as those of Koninklijke Wegener NV. Joint ventures are consolidated proportionately using the same accounting policies as used by Koninklijke Wegener NV. A joint venture is deemed to exist if the participants in a collaboration agreement have joint control over the resulting activities.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets are eliminated in full.

The results of acquired group companies are consolidated as of the acquisition date, being the date on which formal control was acquired of the party being taken over. Consolidation is continued until the date on which formal control ceases to exist.

A list of consolidated group companies and associates is included at the end of the notes to these consolidated financial statements. Koninklijke Wegener NV has directly or indirectly issued declarations of joint and several liability for most of its Dutch group companies in accordance with Section 403 of Part 9 of Book 2 of the Netherlands Civil Code. The list includes the group companies for which such declarations of liability have been issued.

Accounting policies

General

As of the financial year 2005, the consolidated financial statements have been drawn up based on International Financial Reporting Standards (IFRS), as approved by the European Union. The financial statements were previously drawn up in accordance with Dutch reporting requirements. Wegener has applied a “first time adoption” as of 1 January 2004 for all applicable IFRS rules, with the exception of IAS 39 and IFRS 2, for which a “first time adoption” has been applied as of 1 January 2005.

The financial statements have been prepared under the historical cost convention, with the exception of interest rate swaps, which are carried at fair value in the balance sheet.

The financial year coincides with the calendar year. The consolidated financial statements have been drawn up in euros, and all amounts have been rounded off to the nearest thousand unless stated otherwise.

Given that the results of Koninklijke Wegener NV have been consolidated, an abridged version of the company’s consolidated income statement has been included (pursuant to Section 402 of Part 9 of Book 2 of the Netherlands Civil Code).

Effect of new financial reporting standards

The following standards and interpretations entered into effect as of 1 January 2007:

- > IFRS 7 Financial Instruments: Disclosures
- > IAS 1 (Amendment) – Presentation of Financial Statements
- > IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- > IFRIC 8 Scope of IFRS 2
- > IFRIC 9 Reassessment of Embedded Derivatives
- > IFRIC 10 Interim Financial Reporting and Impairment

The above standards and interpretations, with the exception of IFRS 7 and IAS 1, have no consequences for the financial statements. The application of IFRS 7 has resulted in more extensive disclosure on the financial instruments used. The application of IAS 1 has resulted in more extensive disclosure on capital management.

Wegener decided against an early implementation of the new standards, amendments to standards, and new interpretations for which the application is mandatory for financial years beginning on or after 1 January 2008 or subsequent years.

The following standards and interpretations have been published but do not yet apply to the 2007 financial statements:

- > IFRS 8 Operating Segments
- > IAS 23 (Amendment) Borrowing costs
- > IFRIC 11, IFRS 2 – Group and Treasury Share Transactions
- > IFRIC 12 Service concession arrangements
- > IFRIC 13 Customer loyalty programmes
- > IFRIC 14, IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction

Application of the above standards and interpretations is not expected to have any material impact on the financial statements for 2008.

Significant accounting judgements and estimates

When applying Wegener's accounting policies, the management has made judgements, which have important consequences for the amounts recognised in the financial statements and the notes thereto. Furthermore, in some areas estimates have been made about future developments which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in any following financial year. When forming these judgements and making the estimates referred to, use was also made of the opinions and advice of (external) experts in the relevant areas. These judgements and estimates are explained in more detail below. For more details about how the items referred to are shown in the financial statements, please see the notes to the financial statements.

Judgements

Goodwill (former) VNU Dagbladen group

Wegener acquired the VNU Dagbladen group in 2000. The activities of the VNU Dagbladen group primarily related to the publishing of regional newspapers, free door-to-door newspapers, and related graphic production. These activities have since been extensively integrated with the same type of activities already conducted by Wegener. The integration process started immediately in 2000 in order to realise maximum synergies through economies of scale. The integration took place across all levels: merging of titles, graphic production, and organizations, including the reorganization of management and the centralization of the back offices.

As a result, the goodwill can no longer be attributed to the original cash-generating units, and the whole newspaper organization of Wegener is now seen as one single cash-generating unit. The process of integration and organizational change is also currently being pursued, with product standardization and centralization of management and joint responsibilities being implemented further. The graphic production will also be integrated further at a smaller number of locations.

Wegener General Pension Fund (APW)

Based on total regulations and agreements relating to Wegener General Pension Fund (APW), as well as on the basis of communication with all those involved about the rights and obligations in relation to pensions, Wegener is of the opinion that this constitutes a (collective) defined contribution plan.

Estimates

Impairment of goodwill

At least once a year Wegener determines whether goodwill is subject to impairment. This requires an estimate of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires Wegener to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of AD NieuwsMedia BV publishing rights

Wegener assesses at least once a year whether the AD NieuwsMedia publishing rights are subject to impairment. This requires an estimate of the value in use of AD NieuwsMedia. To estimate the value in use Wegener has to make an estimate of AD NieuwsMedia's expected future cash flows, and at the same time establish an appropriate discount rate in order to calculate the present value of these cash flows.

Early retirement transition scheme

At a sector level, early retirement schemes are operated in which Wegener also participates. Since the end of 2005, transition plans have been in effect whereby only those persons born before 1950 are still eligible for early retirement. The early retirement scheme is financed on the basis of a group pay-as-you-go system with all the participant companies paying contributions annually for all the early retirement benefit payments. Wegener has

formed provisions for the present value of the expected future early retirement commitments (employer's contribution), which will have to be paid during the transition period. These estimates may be affected by changes in contributions.

Foreign currency

The consolidated financial statements are presented in euros, which is the group's functional and presentation currency. All the group companies operate in the euro zone.

Transactions in foreign currencies are translated into euros at the exchange rates applicable on the transaction date. The cash flows generated by the settlement of transactions are translated at the exchange rate applicable on the date of settlement. The exchange rate differences resulting from this are taken to the income statement. Monetary assets and liabilities (resulting from unsettled transactions) in foreign currency are translated at the exchange rates applicable on the balance sheet date. Exchange differences arising from this are also taken to the income statement.

The Wegener DM division was sold in October 2006. The UK (shell) companies involved were liquidated in 2007.

AD NieuwsMedia joint venture

AD NieuwsMedia is a joint venture of Wegener and PCM Uitgevers. The joint venture was formed on 1 September 2005. Wegener has a shareholding in the joint venture of 37%, and PCM Uitgevers holds 63%. The control of the company is shared on a 50/50 basis.

A shareholders' agreement has been concluded with PCM Uitgevers in relation to the joint venture. Among other things, it is agreed that there will in principle be a full distribution of profits. Joint decision-making is necessary to declare the actual dividend. Furthermore, it was agreed that the shareholders will finance the start-up costs incurred by the joint venture up to a certain maximum.

This financing will only take place insofar as the joint venture cannot finance its activities from its own resources, and will be provided by both shareholders in proportion to their shareholding. Further agreements will be made relating to the reduction of the available facility; the facility ends on 31 December 2009. At year-end 2007, the financing obligation of Wegener was limited to a maximum of EUR 16.7 million. The financing provided by the two shareholders under this facility is subordinated to all other debts of AD NieuwsMedia BV.

The first measurement of the interest in the joint venture in 2005 was at fair value. The purchase price of 37% of the joint venture is allocated to the relevant assets, with publishing rights being shown separately under intangible assets. Deferred tax liabilities due to grossing up of assets contributed are also taken into account when allocating the purchase price.

The difference between the provisions for deferred tax liabilities (at non-discounted value) and the present value of the tax effects included in the allocation is recognised as goodwill. The measurement of the fair value of the joint venture is based on the stand-alone situation at 1 September 2005, without taking into account any future synergies within the joint venture. The goodwill and publishing rights will not be amortised.

An annual assessment is made to see whether the carrying amount of the goodwill and the publishing rights are in line with the net realisable value given the actual and expected result developments of the relevant activities. If the value determined in this way is expected to be lower than the carrying amount, then the carrying amount is written down and charged to the income statement.

All the assets and liabilities and the income and expense of the joint venture are allocated proportionally, at 37%, in the consolidation.

ilocal Holding BV joint venture

ilocal Holding is a joint venture of Wegener and Yellow Bear Holding BV. The joint venture was set up on 1 July 2006. Wegener has an interest in the joint venture of 49%, and Yellow Bear Holding has 51%. A shareholders' agreement has been concluded with Yellow Bear Holding in relation to the joint venture. Among other things, it is agreed that there will be joint control with regard to all important developments and decisions relating to the joint venture. Furthermore, it was agreed that both shareholders will stand surety for the financing of the joint venture in proportion to their shareholding up to a certain maximum limit.

It was also agreed with Yellow Bear Holding that Wegener will acquire 2% of the shares in ilocal Holding from Yellow Bear Holding in 2009. The price will depend on the performance of the joint venture at that time.

The initial measurement of the interest in the joint venture in 2006 was at fair value. The purchase price for 49% of the joint venture was allocated to the relevant assets. Since a new company is involved, any surplus value paid will be recognised entirely as goodwill. The goodwill will not be amortised. An annual assessment will be made to see whether the carrying amount of the goodwill is in line with the net realisable value given the actual and expected results of the relevant activities. If the value determined in this way is expected to be lower than the carrying amount, then the carrying amount is written down and charged to the income statement.

All the assets and liabilities and the income and expense of the joint venture are allocated proportionally, at 49%, in the consolidation.

Information concerning joint ventures

In the notes to the financial statements there is a summary of information relating to the balance sheet, income statement, and cash flows of the joint ventures in total (page 83).

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. The cash in the cash flow statement consist of cash and cash equivalents. Interest paid and received, dividends received and income tax are included in the cash flows from operating activities. Dividends paid are included in the cash flows from financing activities.

Non-current assets

Intangible assets

Intangible assets consist of:

- > goodwill
- > publishing rights AD NieuwsMedia (see above)
- > software

Goodwill represents the surplus value paid on the date of acquisition of group companies, joint ventures, and associates above the fair value of the acquired assets and liabilities and contingent liabilities, increased by the expenses involved in an acquisition. An annual assessment is made to see whether the carrying amount of the goodwill is in line with the value of the activities for which the goodwill has been paid, in light of the actual and expected result developments of those activities. If the value determined in this way is expected to be lower than the carrying amount, then the carrying amount is written down and charged to the income statement.

The goodwill paid between 1 January 1999 and 1 January 2004 was valued at acquisition value and amortised straight-line over the economic life, or valued at net realisable value if lower. The expected economic life was calculated differently depending on the nature of the acquired associate or business activity. The goodwill paid for VNU Dagbladen was amortised over 30 years, for Wegener DM UK over 20 years, and for the other acquired companies

between 3 to 10 years.

The carrying amount of the goodwill determined in this way at 31 December 2003 is taken to the opening balance sheet under the IFRS accounting policies as of 1 January 2004.

Goodwill paid before 1 January 1999 was taken to equity.

The AD NieuwsMedia publishing rights comprise the total intangible assets in relation to titles, subscription bases, editorial formats and their implementation, as well as advertising contracts, which, in the opinion of Wegener, are inseparable. The cost of the publication rights acquired with the establishment of the AD NieuwsMedia joint venture represents the fair value at the acquisition date. These publication rights have an indefinite economic life. An assessment is carried out each year to determine if there has been any impairment of goodwill in relation to (the cash flows of) AD NieuwsMedia. Furthermore, an annual assessment is also made to see if the economic life of the publishing rights is still unlimited. Any impairment of goodwill is charged to the income statement. If the economic life can be determined, then straight-line amortisation taken to the income statement will take place over the remaining economic life of the asset.

Software is valued at cost and amortised straight-line over its economic life, or valued at the net realisable value if lower. The core applications for the newspaper activities (systems for advertisement management, print production, and news editing) are amortised in 7 years. All other software is amortised in 3 to 5 years. Software and websites are purchased from external parties. These external costs are capitalised. Internal hours spent are not capitalised and are charged to the income statement.

The remaining economic life is assessed and adjusted where necessary each year.

Property, plant and equipment

Property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the expected useful lives of the relevant assets.

The following depreciation rates apply:

Buildings	2 1/2 - 10	% per annum
Plant and equipment:		
- rotary newspaper presses	6 2/3	% per annum
- other plant and equipment	10 - 20	% per annum
Other fixed operating assets	10 - 33 1/3	% per annum

Assets in the course of construction are carried at cost.

The carrying values of the property, plant, and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is taken to the income statement in the year the asset is derecognised.

The residual value of the property, plant, and equipment, the expected useful lives, and the valuation methods are reviewed, and adjusted as necessary, at the end of each financial year.

Only for investments in rotary newspaper presses and printing plants are the finance costs during construction included in the cost price. These finance costs are allocated based on the specific source of finance (for example, finance lease for the relevant object) or on a

capitalisation rate to be applied in line with the weighted average finance costs applicable to the loans of the company.

Investments in associates

Associates are companies in which Wegener has a significant influence on the commercial and financial policy. Associates are not group companies or joint ventures, and are not consolidated. The valuation is carried out in accordance with the equity method. In this, the investment is initially carried at cost, and then adjusted to take into account the change of the interest of Wegener in the net assets of the associate after the acquisition. The interest of Wegener in the net profit of the associate is recognised in the income statement.

Deferred tax assets

Deferred tax assets are in principle recognised for all temporary differences available for set-off, tax facilities, or carry-forward tax losses, but only insofar as a settlement or utilisation can probably be realised. The carrying amount is assessed at the balance sheet date, and reduced if the settlement or utilisation cannot be wholly or partially realised. Non-recognised deferred tax assets are reviewed at the balance sheet date, and only recognised to the extent it is probable that a settlement or utilisation can be realised. Deferred tax assets are measured at the tax rates that are expected to apply to the period in which the asset is realised in accordance with the tax rates set by law and the applicable tax legislation.

Other financial assets

Other financial assets relates to loans to associates, shares in other companies in which Wegener exercises no significant influence on the commercial and financial policy, and receivables from personnel under specific pension schemes. The shareholdings in other companies are not group companies, joint ventures, or investments in associates, and are not consolidated.

The loans to associates are carried at amortised cost using the effective interest method, less any provisions deemed necessary.

The shares in other companies are valued at fair value, which is based on the financial statements of the relevant companies. The changes in fair value are allocated to the income statement.

The receivables from personnel under pension plans relate to the PGB-PCM pension scheme of AD NieuwsMedia and the conditional supplementary pension scheme for a certain group of employees of Wegener born in 1950 or later. Both schemes are explained in more detail under "Pensions". These receivables are measured at the agreed employee's share in the relevant pension commitments.

Current assets

Inventories

The inventories of raw materials and stores are valued at cost (using the Fifo principle) or the realisable value if lower.

Trade and other receivables

Trade receivables are carried at original invoice amount less a provision for doubtful debts. Other receivables are valued at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet consists of cash at banks and cash in hand.

Impairment of financial assets

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has incurred, the amount of the loss is measured as the difference between

the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The asset's carrying amount will be lowered by the amount of the loss, and the loss will be recognised in the income statement.

Equity

In the financial statements, the balance sheet is presented before recording the proposed profit distribution.

Cumulative financing preference shares

The Management Board (with the approval of the Supervisory Board) may decide to reserve the profit before a preference dividend is paid. The payment of dividends on ordinary shares will only take place after the dividend on the cumulative financing preference shares has been paid. If in any year the profit is not sufficient to pay the dividend on the cumulative financing preference shares, or to add such to the dividend reserves linked to the cumulative financing preference shares, the deficit can be made up for in the following financial years (accumulation provision). A payment is owed on a dividend reserve in subsequent financial years equal to the dividend percentage on the cumulative financing preference shares. At year-end 2007, all outstanding cumulative financing preference shares were held (indirectly) by Mecom Group plc.

The cumulative financing preference shares are initially carried at the fair value of the consideration received less the directly attributable transaction costs.

Pensions

Wegener has pension commitments under several schemes:

- > Wegener General Pension Fund (APW)
- > Graphic Sector Pension Fund (PGB)
- > Early retirement and pre-pension schemes
- > Supplementary conditional commitments
- > Contributions towards health insurance during the pension
- > Several individual pension schemes

The arrangement agreed with the APW qualifies as a (collective) defined contribution plan.

The PGB applies for (the majority of) the staff of Wegener NieuwsDruk. The pension is an average pay scheme. Wegener has, as in the previous year, requested further information for the purpose of preparing the IFRS financial statements, but this information cannot be released (according to the PGB).

In the opinion of the PGB, the scheme qualifies as a defined contribution plan, the companies participating in it are only required to pay a premium fixed in advance, and there is no obligation to top-up any deficits, nor is there any entitlement to any accrued buffers. Furthermore, according to the PGB, there are no objective criteria for allocating Wegener's share even if indeed there was a defined benefit obligation, which in addition would also involve disproportionately high costs.

There is no financing agreement between Wegener and the PGB. Wegener has not received any figures from the PGB, on the basis of which a reliable estimate could be made of Wegener's share in the assets and liabilities of the PGB. As a result of the above, the paid pension contributions have been taken to the income statement. According to Wegener, if information had been received from PGB, this would not have any material impact on the income statement.

A separate PGB-PCM pension scheme is run by PGB for the employees of PCM Uitgevers, which is also open to former PCM employees of AD NieuwsMedia.

In 2006 it was agreed that this scheme would also apply to former Wegener employees of AD NieuwsMedia. In relation to the transfer of the pensions, an agreement has been reached with PGB that the difference in cover between the pensions added from the PCM pension fund and Wegener General Fund and the higher extent of cover of the PGB will be payable by AD NieuwsMedia to PGB. This liability is recognised in the balance sheet, and will be paid for via a fixed surcharge on the pension contributions to be paid in the future. It is expected to take seven years to pay off this debt; if the pension entitlement changes, the repayment will take place accordingly over more or less years as appropriate.

The debt to the PGB referred to is based on the relevant total pension contributions payable by the employer and the employees. The share of these contributions payable by all employees is recognised as a receivable in the balance sheet. It is expected that this receivable will almost certainly be realised (other financial assets).

The early retirement and pre-pension schemes involve defined benefit pension schemes for current and former employees born before 1950. Wegener has formed a provision for the present value of the future commitments, which will be paid up to and including 2014. This was calculated based on the annual accrual of active employees who will still be entitled to benefit from the transition plans over the coming years (until 2012). These costs are allocated to the period in which the employees were actively working. Costs for surplus schemes and the costs of pension accrual during the early retirement period are determined using the projected unit credit method.

Commitments have been made to a fixed group of employees under which a supplementary pension will be granted if the employees related are still employed by Wegener at their retirement date. This plan only applies to the group of employees born in or after 1950, who were employed by Wegener at year-end 2005, and who were subject to the Grafimedia collective labour agreement at the time. The basis for the pension entitlement is based on the number of past years of service at 31 December 2005 and the fixed pensionable salary that applied at 31 December 2005. The pension scheme is carried out by APW on the strength of an additional agreement. The contributions are paid by the employee and the employer. The contributions of the employees are transferred to a fund specifically created for this plan. The relevant plan qualifies as a defined conditional pension plan. The share of the contributions payable by all employees is recognised as a receivable in the balance sheet. It is expected that this receivable will almost certainly be realised (other financial assets).

Commitments were made to certain groups of employees relating to contributions towards health insurance contributions during retirement. In connection with the introduction of the standard insurance cover for healthcare expenses on 1 January 2006, and the related new regulations relating to employee and employer contributions, the existing commitments have been adjusted accordingly. These adjustments entail that for active employees the plan has been abolished, and for inactive (retired) employees the plan will gradually be phased out over several years. The (remaining) provision formed for this is calculated using the projected unit credit method.

There are non-reinsured pension commitments for a very limited number of individual current and former employees. A provision has been formed for the cost of this determined actuarially using the projected unit credit method.

The actuarial gains and losses with regard to the defined benefit pension plans mentioned above are recognised as income or expense to the income statement.

The discount rate used for the actuarial provisions referred to above is determined on the basis of the weighted average terms of the various plans and the associated interest rates of corporate bonds with a high credit rating (AA or higher). At the end of 2007 this was 4.9% (2006: 4.6%).

Deferred tax liabilities

A provision for deferred tax liabilities is formed on the basis of the temporary differences at the balance sheet date between the taxable carrying amount of assets and liabilities, and their carrying amount as recognised in these financial statements. Deferred tax liabilities are in principle recognised for all taxable temporary differences. Deferred tax liabilities are measured at the tax rates that are expected to apply for the period in which the liability is settled, based on the current or future tax rates set by law or under applicable tax legislation.

Deferred tax assets and liabilities are netted if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Provisions

Provisions are formed if Wegener has a current (legal or constructive) obligation as a result of an event in the past. A provision will only be formed insofar as a reliable estimate can be made of the amount of the obligation, and if it is likely that such an obligation will also actually have to be paid. If it is expected that (a part of) a provision might be reimbursed, the reimbursement is recognised as a separate asset as long as the receipt of the reimbursement is a reasonable certainty. This type of reimbursement might, for example, be possible under an insurance contract. The expense associated with a provision is presented in the income statement less any reimbursement.

If the effect of the time value of money is significant, the provisions are discounted to their present value using a current pre-tax discount rate. The increase in a discounted provision due to the passage of time is recognised as a finance cost in the income statement.

Interest-bearing loans

All loans are initially recognised at the fair value of the consideration received less the directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Finance leases

Finance leases, which transfer to Wegener substantially all the risks and benefits non-recurring to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are taken directly to the income statement.

Leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that Wegener will obtain ownership at the end of the lease term.

Derecognition of financial assets and liabilities in the balance sheet

A financial asset is derecognised if Wegener is no longer entitled to the cash flows from this asset. If no cash flows are received, but there is a continuing involvement in the asset, this is taken into account in the valuation. A financial liability is derecognised when the obligation under the liability is discharged (or is cancelled or expires).

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Remuneration linked to shares

Share Plan

Until 1 November 2007, there was a share plan for members of the Management Board, whereby depository receipts for Koninklijke Wegener NV ordinary shares were conditionally granted to them and the grant could become unconditional after three years. Payment would therefore be in the form of shares. An estimate was made each year of the number of shares that would eventually be granted unconditionally based on the set objectives and the projected trend in results.

As a consequence of the acquisition by Mecom, this share plan for members of the Management Board was converted, as of 1 November 2007, into a long-term conditional bonus plan. The conditions for the long-term conditional bonus plan are the same as for the share plan. Payment will be in the form of cash instead of shares. The conversion was effected at EUR 17.70 per share. After Mecom acquired Wegener, the conversion was necessary, because, in principle, the Wegener shares could no longer be issued.

The costs are recognised in the income statement under staff costs; the conditional obligation at the end of the year is recognised under other current liabilities.

Option Plan

Up to 2004, an option plan existed for members of the Management Board, whereby they could be granted options on depository receipts for Koninklijke Wegener NV shares. The option rights granted up until 2004 had already become unconditional by year-end 2006. All remaining options were exercised in 2007.

Derivative financial instruments

Wegener uses interest rate swaps to hedge interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Interest rate swaps are carried as assets if the fair value is positive, and as liabilities if the fair value is negative.

The fair value of interest rate swaps is determined by reference to market values for similar instruments. The changes in fair value of effective hedging interest rate swaps are taken to equity (cash flow hedging reserve). Any gains or losses arising from changes in the fair value of derivatives that do not or no longer hedge the risks effectively are recognised directly in the income statement (finance revenue and finance costs respectively).

Income and expenses recognition

Revenue relates to the net turnover of goods supplied or leased to third parties, net of any discounts and VAT. Revenue is recognised to the extent that it is probable that the economic benefits will flow to Wegener and the revenue can be measured reliably.

Revenue is recognised for each revenue category as follows:

- > advertisements in daily newspapers, free door-to-door newspapers, weeklies, and magazines: on the date they are placed;
- > internet advertisements: relating to the period in which the advertisement is published;
- > subscriptions to daily newspapers and weeklies, internet sites and magazines: for the period the subscriptions relate to;
- > graphic products: on the date of delivery.

Other income relates to profit realised on the sale of companies or associates, and on the sale of plant, property, and equipment.

Government grants are recognised at fair value if there is a reasonable certainty that the grants will be received, and if the criteria and other conditional terms for the awarding of the grants have been satisfied. Subsidies in relation to costs are systematically recognised as income in the same period as that in which the relevant costs are recognised. In the event of grants in relation to property, the fair value of the grants will be deducted from the carrying value of the property, and an item of income will be recognised in the income statement pro rata the useful life of the relevant property.

The profits of associates relate to the proportional part of the profit for the year using the equity method.

Finance revenue and costs are recognised based on the effective interest revenue and costs respectively, including attributable transaction costs.

Dividends on the shares in other companies included under other financial assets are recognised when Wegener's right to receive the payment is established.

The tax expense is calculated based on the profit before tax, taking into account non-deductible impairment of goodwill, the participation exemption, and other tax facilities. Furthermore, changes to deferred tax assets and liabilities resulting from changes in the tax rates applicable to such are also taken into account.

Segment reporting

In these financial statements, a distinction is made between continuing operating activities and discontinued operating activities. Discontinued operating activities relate to the direct marketing activities of Wegener Fieldmarketing that were sold in February 2007. Following the sale of the direct marketing activities, there are no longer any separate business segments and geographical segments; only the publishing activities business segment remains. The publishing activities are only carried out in The Netherlands.

As part of the publishing activities, daily newspapers and free door-to-door newspapers are published and printed, and multimedia products and services are provided. In addition, there are internal suppliers in the field of ICT and facility support services. Up to and including July 2006, special interest magazines were also published. Given the nature of the products, the production processes, the type of clients and the distribution channels, a similar rate of return and risk profile applies to all publishing activities.

Notes to the consolidated balance sheet

(in thousands of euros)

1 Intangible assets

2007	Goodwill	Publishing rights	Software	Total 2007
Cost	581,471	20,028	45,553	647,052
Accumulated amortisation	(75,862)		(30,600)	(106,462)
Carrying amount at 1 January 2007	505,609	20,028	14,953	540,590
Change in carrying amount:				
At 1 January	505,609	20,028	14,953	540,590
Investments	389		6,695	7,084
Amortisation			(4,723)	(4,723)
Impairment of goodwill	(2,652)			(2,652)
At 31 December	503,346	20,028	16,925	540,299
Cost	581,860	20,028	44,209	646,097
Accumulated amortisation	(78,514)		(27,284)	(105,798)
Carrying amount at 31 December 2007	503,346	20,028	16,925	540,299

2006	Goodwill	Publishing rights	Software	DM databases	Total 2006
Cost	741,065	20,028	52,601	21,325	835,019
Accumulated amortisation	(201,444)		(37,031)	(17,891)	(256,366)
Carrying amount at 1 January 2006	539,621	20,028	15,570	3,434	578,653
Change in carrying amount:					
At 1 January	539,621	20,028	15,570	3,434	578,653
Investments	190		6,646	3,850	10,686
Acquired group companies	2,653				2,653
Group companies sold	(36,624)		(1,879)	(4,294)	(42,797)
Exchange differences	239		2	69	310
Amortisation			(5,256)	(3,059)	(8,315)
Classified as held for sale	(470)		(130)		(600)
At 31 December	505,609	20,028	14,953	-	540,590
Cost	581,471	20,028	45,553		647,052
Accumulated amortisation	(75,862)		(30,600)		(106,462)
Carrying amount at 31 December 2006	505,609	20,028	14,953	-	540,590

The major portion of the goodwill, EUR 492.8 million (end 2006: EUR 492.8 million) relates to the acquisition of the former VNU Dagbladen group in 2000, as well as a number of small acquisitions of free door-to-door newspapers and online activities. As explained above, the activities of the former VNU Dagbladen group are integrated within the total Wegener newspaper activities in such a way as to create a single cash-generating unit.

The net realisable value of the newspaper activities is based on the value in use, which is calculated using cash flow projections for the period up to 2017. These cash flow projections are based on the budget for 2008, the strategic plan 2008–2010, and recent long-term projections. A pre-tax discount rate of 9.1% is used (2006: 10.0%). Compared with last year's discount rate, the return on equity was set at a lower level in line with the valuation performed upon the acquisition of Wegener by Mecom. The cash flows after 2010 are extrapolated without using a growth rate.

In addition to the above-mentioned cash flow generating unit 'newspaper activities', individual cash flow generating units have been identified for the joint ventures to which goodwill is attributed.

On balance, the decrease in goodwill in 2007 relates to impairments for an amount of EUR 2.7 million and the acquisition of the majority interest Autotrust BV, for which EUR 0.4 million goodwill was paid. The impairment relates to the goodwill of (an interest in) a joint venture. Compared with the original business plan, the start-up period until the break-even point is longer than expected. As a result, the goodwill has been written off.

The publishing rights item solely relate to the interest in AD NieuwsMedia. The net realisable value of the publishing activities is measured using the same financial parameters as for the calculation of the goodwill for publishing activities. These cash flow projections are based on the budget for 2008 of AD NieuwsMedia and recent long-term projections.

2 Property, plant and equipment

2007	Land and buildings	Plant and equipment	Other	Assets under construction	Total 2007
Cost	67,210	214,726	82,568	1,052	365,556
Accumulated depreciation	(31,280)	(168,360)	(71,692)		(271,332)
Carrying amount at 1 January 2007	35,930	46,366	10,876	1,052	94,224
Change in carrying amount:					
At 1 January	35,930	46,366	10,876	1,052	94,224
Acquired group companies			58		58
Additions		2,607	569	17,925	21,101
Disposals	(80)			(7)	(87)
Depreciation	(3,061)	(9,836)	(3,638)		(16,535)
Realised projects under construction		593	693	(4,268)	-
At 31 December	32,789	39,730	8,558	17,684	98,761
Cost	66,765	216,268	46,309	17,684	347,026
Accumulated depreciation	(33,976)	(176,538)	(37,751)		(248,265)
Carrying amount at 31 December 2007	32,789	39,730	8,558	17,684	98,761
2006	Land and buildings	Plant and equipment	Other	Assets under construction	Total 2006
Cost	98,501	214,067	116,674	629	429,871
Accumulated depreciation	(41,808)	(158,796)	(96,163)		(296,767)
Carrying amount at 1 January 2006	56,693	55,271	20,511	629	133,104
Change in carrying amount:					
At 1 January	56,693	55,271	20,511	629	133,104
Acquired group companies			128		128
Additions		2,386	3,192	1,298	6,876
Group companies sold	(7,577)	(560)	(4,346)	(201)	(12,684)
Disposals	(9,489)	(71)	(2,167)	(174)	(11,901)
Depreciation	(3,703)	(10,737)	(6,486)		(20,926)
Realised projects under construction		62	438	(500)	-
Exchange differences	6	15	7		28
Classified as held for sale			(401)		(401)
At 31 December	35,930	46,366	10,876	1,052	94,224
Cost	67,210	214,726	82,568	1,052	365,556
Accumulated depreciation	(31,280)	(168,360)	(71,692)		(271,332)
Carrying amount at 31 December 2006	35,930	46,366	10,876	1,052	94,224

In 2007, preparations were launched with regard to the renewal of the rotary newspaper presses at the printing plant in Best. The down payments in 2007 and the capitalised financing costs of EUR 0.3 million are recognised in the balance sheet as assets under construction. No additions were made to rotary newspaper presses or printing plants during 2006; consequently, no capitalised finance costs are included.

Property, plant, and equipment includes assets financed with a finance lease. The carrying amount of the relevant assets at the balance sheet date was:

	2007	2006
Plant and equipment	22,213	24,355
	22,213	24,355

The legal ownership of the relevant asset remains with the lessor until the end of the lease agreement. At that point, Wegener has the right, but not the obligation, to acquire the asset.

The property, plant, and equipment largely relates to printing plants, rotary newspaper presses, and ICT equipment. Office buildings are often leased. In light of the specific character of the property, plant, and equipment, it is estimated that the fair value does not differ significantly from the carrying amount.

3 Investments in associates

	2007	2006
At 1 January	4,514	4,659
Add: share in net profits	(708)	(201)
acquired associates	726	
capital contributions	651	386
	5,183	4,844
Less: dividend received	637	330
other changes	87	
At 31 December	4,459	4,514

The acquired associates item for 2007 included ilocal International BV (17.5%) and Beekman Media BV (50.0%). In March 2007 a 35.0% share in Autotrust was acquired, which was expanded to 80.0% at 31 December 2007 by means of a capital contribution on (new issue of) shares for an amount of EUR 0.3 million. At the end of 2007, the figures of Autotrust BV are consolidated in the financial statements of Wegener.

The associate Carto Participaties BV was sold in 2007. The participation value had already been written off in 2006.

The following summarised financial information can be given on the associates recognised in the balance sheet (total amounts for all combined associates, based on the proprietary rights held):

	2007	2006
Current assets	6,168	7,084
Non-current assets	1,245	1,300
Total assets	7,413	8,384
Current liabilities	2,851	3,764
Non-current liabilities	103	106
Total liabilities	2,954	3,870
Revenue	8,328	7,617
Expenses	(9,060)	(7,720)
Financial income and expenses	94	118
Profit/loss before taxes	(638)	15
Taxes	(70)	(216)
Loss for the year	(708)	(201)

4 Other financial assets

Loans to associates

	2007	2006
At 1 January	870	1,734
Less: received	870	
other changes		864
At 31 December	-	870

In 2007 the associate Carto Participaties BV and the interest in CV Twente Stadion were sold. The loans granted have been repaid.

Shares in other companies

	2007	2006
At 1 January	198	214
Less: sold interests	163	
other changes		16
At 31 December	35	198

The shares in other participating interests sold in 2007 are the interest in BV Algemeen Nederlands Persbureau ANP and CV Twente Stadion.

Receivables from personnel under pension schemes

	2007	2006
At 1 January	3,721	1,834
Add: new scheme agreed		2,129
interest	114	
	3,835	3,963
Less: received premiums	541	242
At 31 December	3,294	3,721

5 Current assets**Inventories**

	2007	2006
Rotary newsprint	2,202	2,361
Other	791	844
	2,993	3,205

Other inventories mostly relate to graphic materials such as ink and plates.

Trade and other receivables

	2007	2006
Trade receivables	62,444	69,390
Prepaid pension premiums		967
Receivables from associates	227	121
Other receivables, prepayments and accrued income	14,650	13,873
	77,321	84,351

Trade receivables are recognised net of a provision for doubtful debts. An amount of EUR 1.5 million was added to this provision and charged to the income statement (2006: EUR 0.4 million).

The ageing analyses of trade receivables at the balance sheet date is as follows:

	2007		2006	
	receivables	provision	receivables	provision
Not overdue	46,179		50,263	
Overdue 0 – 90 days	20,178	(476)	21,925	(467)
Overdue 91 – 120 days	613	(133)	667	(139)
Overdue 121 – 180 days	311	(91)	286	(59)
Overdue more than 180 days	1,681	(1,297)	1,275	(1,037)
	68,962	(1,997)	74,416	(1,702)
Provision for doubtful debts	(1,997)		(1,702)	
Provision for credit notes	(4,521)		(3,324)	
Total trade receivables	62,444		69,390	

The provision for credit notes relate to complaints, quantity bonuses to be settled and contract positions to be set off.

Changes in the provision for doubtful debts were as follows:

	2007	2006
At 1 January	1,701	2,008
- Addition	1,453	447
- Release	(228)	(183)
- Withdrawal	(929)	(570)
At 31 December	<u>1,997</u>	<u>1,702</u>

The provision has been determined, almost entirely, on a collective basis.

Cash and cash equivalents

	2007	2006
Cash at bank	32,443	5,406
Cash in hand	55	64
	<u>32,498</u>	<u>5,470</u>

6 Equity

At year-end 2007, the authorised share capital consisted of:

- > 65,000,000 ordinary shares with a nominal value of EUR 0.30
- > 15,000,000 cumulative financing preference shares with a nominal value of EUR 0.30

In addition to the shares referred to above, the authorised capital at year-end 2006 also included 80,000,000 preference shares with a nominal value of EUR 0.30. On 1 November 2007 the company's articles of association were amended, one result of which was that these preference shares were cancelled. In the past no preference shares were issued.

Cumulative financing preference shares

In relation to cumulative financing preference shares, the following is of importance.

Voting rights on cumulative financing preference shares are exercised in accordance with the fair value of the capital contribution in relation to the value of the ordinary shares in the capital of Koninklijke Wegener NV, whereby no more than one vote per cumulative financing preference share can be cast. The value of the ordinary shares will be calculated annually at 31 December as the arithmetic average of the share price for the previous twenty stock exchange trading days. The value calculated accordingly amounted to EUR 15.90 per ordinary share at year-end 2007 (2006: EUR 10.62).

Based on a capital contribution of EUR 7.00 per cumulative financing preference share, the voting rights attached to these latter shares are equal to 44.0% of ordinary shares. Consequently, the voting rights satisfy the relevant provision of the Netherlands Corporate Governance Code.

The Management Board (with the approval of the Supervisory Board) may decide to reserve the profit before a preference dividend is paid out. The payment of dividends on ordinary shares will only take place after the dividend on the cumulative financing preference shares has been paid. If in any particular year the profit is not sufficient to pay the dividend on the cumulative financing preference shares, or to add such to the dividend reserves relating to the cumulative financing preference shares, the deficit can be made up in the following financial years (accumulation provision). A payment is owed on a dividend reserve in

subsequent financial years equal to the dividend percentage on the cumulative financing preference shares.

From 1 January 2006 to 31 December 2010, a coupon rate of 5.33% of the issue price of EUR 7.00 applies.

At year-end 2007, all issued cumulative financing preference shares are held (indirectly) by Mecom Group plc.

On initial issue in 2001, 8,089,718 cumulative financing preference shares were issued at an issue price of EUR 7.00 and a nominal value of EUR 0.30 per share. On 2 January 2006, 3,889,545 depository receipts for cumulative financing preference shares were purchased, but have not been cancelled since then. The relevant depository receipts are therefore held by Koninklijke Wegener NV. In 2007, no changes occurred in the number of cumulative financing preference shares. Hence, at 31 December 2007 there were 4,200,173 shares outstanding. At year-end 2007, all cumulative financing preference shares were certified.

Ordinary shares

In the course of 2007, a total of 420,000 ordinary shares was issued in connection with the exercising of options by former and current members of the Management Board. Changes during the financial year were as follows:

	Number of shares	Issued share capital	Share premium
At 1 January 2007	44,588,842	13,377	136,219
Issued in March	90,000	27	664
Issued in April	110,000	33	1,071
Issued in May	60,000	18	372
Issued in October	160,000	48	991
At 31 December 2007	45,008,842	13,503	139,317

In 2006 200,000 ordinary shares were issued.

The nominal value of the ordinary shares at year-end 2007 amounted to EUR 13,502,653. Mecom Group exchanged the depository receipts for ordinary shares it received for ordinary shares. At year-end 2007, depository receipts for shares had been issued for an amount of EUR 1,838,240 (2006: EUR 13,376,525).

In 2007, a total dividend of EUR 8.5 million was distributed on ordinary shares (2006: EUR 6.2 million). This represents EUR 0.19 per ordinary share (2006: EUR 0.14). In addition, a dividend of EUR 1.6 million was distributed on cumulative financing preference shares (2006: nil).

A share plan was in place for the members of the Management Board until 1 November 2007. Depository receipts for shares were granted conditionally on an annual basis, and after three years could become unconditional, depending on the Economic Value Added^{®1)} achieved by Wegener over a period of three years. The number of depository receipts granted that became unconditional depended on the extent to which the agreed EVA[®] objective was achieved. A minimum objective and a target objective were used for this. If the minimum objective was realised, then 50% of the shares were granted; if under the minimum, no shares were granted. If the target objective was achieved, then 100% were granted, and in the case of exceptional performance 150% of the number of shares could be granted.

1) EVA[®] is a registered trademark of Stern Stewart & Co

The grant became unconditional after three years. The vested depository receipts had to be held by a board member for a period of at least two consecutive years. In principle, the commitment lapsed the moment the holder left the company.

The annual conditional grant of depository receipts for shares was equal to 25% of the basic salary of the chairman and 20% of the basic salary for the other members of the Management Board. In addition, a one-time extra conditional grant was also made in 2005.

As of 1 November 2007, this share plan for members of the Management Board was converted into a plan that has exactly the same allocation conditions, the only difference being that the bonus is paid in cash. Where shares were allocated in the old plan, a cash bonus is now paid under which one share is valued at EUR 17.70.

The total number of depository receipts for shares conditionally granted was as follows:

	J.C. Houwert	E.J.F. Busweiler	C.G. Boot	J. Wegstapel	Total
In 2005	15,000	10,000		10,000	35,000
In 2006	8,000	5,000		5,000	18,000
In 2007	8,000	5,000	4,000		17,000
Cancelled in 2007				(15,000)	(15,000)
Converted into bonus plan	(31,000)	(20,000)	(4,000)	-	(55,000)
	-	-	-	-	-

The shares allocated conditionally to J. Wegstapel were cancelled on 15 March 2007, when he left the company.

Up until 2004, an option plan had been in place for the members of the Management Board. Each year, a fixed number of option rights on depository receipts for Koninklijke Wegener NV shares were granted. The Supervisory Board decided each year relating to the granting of the option rights. An option gave an entitlement to one depository receipt for an ordinary share. These annually granted rights had a term of five years. Options were granted at an exercise price of approximately 6-9% above the stock market price at the time of the grant. The tax due on them was charged directly to the company. All remaining options were exercised in 2007: 90,000 in March, 110,000 in April, 60,000 in May and 160,000 options in October.

At year-end 2007, the position with regard to outstanding option rights was as follows:

	2002	2003	2004	Total
J.C. Houwert				
At 1 January 2007	50,000	50,000	50,000	150,000
Changes in 2007:				
- expired				-
- exercised	(50,000)	(50,000)	(50,000)	(150,000)
At 31 December 2007	-	-	-	-
E.J.F. Busweiler				
At 1 January 2007	30,000	30,000	30,000	90,000
Changes in 2007:				
- expired				-
- exercised	(30,000)	(30,000)	(30,000)	(90,000)
At 31 December 2007	-	-	-	-
J. Wegstapel (as of 15 March 2007 ex-board member)				
At 1 January 2007	30,000	30,000	30,000	90,000
Changes in 2007:				
- expired				-
- exercised	(30,000)	(30,000)	(30,000)	(90,000)
At 31 December 2007	-	-	-	-
S.G. van der Heijden (as of 1 January 2005 ex-board member)				
At 1 January 2007		30,000	30,000	60,000
Changes in 2007:				
- expired				-
- exercised		(30,000)	(30,000)	(60,000)
At 31 December 2007	-	-	-	-
P. Nientker (as of 1 July 2003 ex-board member)				
At 1 January 2007	30,000			30,000
Changes in 2007:				
- expired				
- exercised	(30,000)			(30,000)
At 31 December 2007	-	-	-	-
Total option rights				
At 31 December 2007	-	-	-	-
Exercise price in euros	10.04	3.90	9.09	
Expiry date	05/02/07	05/02/08	04/29/09	

Reserves

The equity attributable to equity holders of Koninklijke Wegener NV consists of the issued share capital, reserves, and the profit for the current year.

The share premium was created on the issue of ordinary and cumulative financing preference shares, being the difference between the issue price and the nominal value. The transaction costs for the issue of shares were charged to the share premium account.

The cash flow hedging reserve consists of the changes in fair value of effective hedging interest swaps. Please see the notes on the accounting policies, under “derivative financial instruments”.

Retained earnings relate to the balance of profits achieved in the past that was not distributed to shareholders, costs of the Management Board share plan, and goodwill being written off to the extent it was paid before 1 January 1999. With reference to the latter, please see the notes on the accounting principles, under “intangible assets”.

The profit for the year is at the free disposal of the shareholders of Koninklijke Wegener NV.

For the policy relating to dividends on cumulative financing preference shares, please see the above notes on the cumulative financing preference shares. Furthermore, see also the notes under the section “Dividends paid and proposed”.

7 Pensions

	2007	2006
PGB-PCM pension scheme of AD NieuwsMedia	4,442	5,142
Early retirement and (pre-)pension schemes	27,832	34,436
Personal schemes	594	641
	<u>32,868</u>	<u>40,219</u>

	2007	2006
At 1 January	40,219	61,107
Add: carried to the income statement	928	7,839
interest	1,369	2,082
	42,516	71,028
Less: withdrawals	6,309	7,581
change in discount rate*	407	846
divested group companies		385
early retirement commitments released to the income statement*	2,932	5,407
release of commitments for health insurance contributions during retirement to the income statement		16,590
At 31 December	<u>32,868</u>	<u>40,219</u>

* This relates to actuarial gains and losses.

	2007	2006
Non-current	27,440	34,048
Current	5,428	6,171
	<u>32,868</u>	<u>40,219</u>

Of the non-current portion, EUR 11.3 million relates to the period after five years (2006: EUR 15.7 million).

For details on the Graphic Sector Pension Fund (PGB), including the PGB-PCM plan that is applicable for AD NieuwsMedia, please see the notes to the accounting policies, under 'Pensions'.

For the Wegener General Pension Fund (APW), a new pension scheme was agreed and introduced on 1 January 2005. The financing agreements relating to this scheme between the company pension fund, APW, and the employer, Wegener, are valid for a period of 5 years. The new pension scheme is a collective defined contribution scheme. During the term of the agreement, the employer and the employee will pay the pension fund a total fixed contribution of 25.7% of the pension entitlement per year. The fixed pension contribution of 25.7% was agreed in light of the group labour agreement on pensions applicable at the time, which included a maximum pension contribution of 24.0%. With regard to the pension provisions under the group labour agreement, a discussion was ongoing between the relevant parties relating to the surviving dependants' pension. In 2006, final agreements were concluded on this matter, under which the surviving dependants' pension schemes were expanded. Based on the above, contributions were raised to 25.7% retroactively as of 1 January 2005.

With the funds that the pension fund has (such as contribution revenue, investment earnings and capital), the pension scheme is run on the basis of collective solidarity. Pension entitlements are accrued on the basis of the conditional average salary system, with indexation of the accrued entitlements and indexation of pensions in payment. However, these pension entitlements are only accrued and indexed if the pension fund has sufficient funds available, and under certain circumstances the entitlements already accrued could even be cut back.

Wegener made an estimate of the costs of the pension accrual of active participants, taking into account a supplement for future collection and administrative expenses, risk of employment disability contribution exemption, solvency surcharges, long-life risk, and future indexation of the pension accrual. It was established that the paid pension contributions do not cover the financing of (increases in) conditional entitlements or benefits which are attributable to the period of employment already served, and therefore entail corrections over that past period.

No agreement was reached between Wegener and the company pension fund for the period following the term of five years when the financing agreements expire. This means that Wegener, at the end of the five-year term, is not liable to supplement any shortfalls, and that Wegener will also not be entitled to repayment of any surplus accrued.

An early retirement transition scheme on a pay-as-you-go basis is in place for staff born before 1950 and employed by Wegener NieuwsDruk, the newspaper publishers (with the exception of newspaper journalists, who are covered by a separate scheme), Wegener ICT|Media, and the head office. This plan is administered by the FWG (Fonds Werkijdvermindering Oudere Werknemers in de Grafische Bedrijven), part of the Graphic Sector Pension Fund. The existing benefits are financed by the annual contributions.

Employees on or born after 1 January 1950 are no longer eligible for an early retirement or pre-pension scheme. For this group of employees, an optional early retirement date applies. This new scheme was introduced in 2006.

The above-mentioned early retirement transition schemes are subject to a maximum salary limit for the purpose of early retirement benefits. For certain groups of employees with higher incomes, Wegener has made a commitment to supplement the sector early retirement pension scheme (supplementary pension). Provisions have been formed for these

commitments.

The release of commitments for health insurance contributions during retirement in 2006 is due to the introduction of the standard health insurance cover (see the relevant notes on page 60).

Below is an overview of the main principles and assumptions applied in the calculation of the pension commitments:

	2007	2006
Mortality tables	GBM/GBV 2000-2005	GBM/GBV 1995-2000
Discount rate	4.9%	4.6%
General salary increase	2.5%	2.5%
Career-related salary increase	< age 45: 3% from age 45: 0% < age 25: 10%	< age 45: 3% from age 45: 0% < age 25: 8%
Chance of dismissal	from age 25: linear decrease to 0% at age 60	from age 25: linear decrease to 0% at age 45

With respect to the calculation of the early retirement contribution there has been taken into account that the branche of industry will shrink with 2.5%.

	2007	2006	2005	2004
Pension commitments at 31 December	32,868	40,219	58,967	68,035
Experience adjustments on commitments	3,339	(6,253)	(9,313)	(2,363)

There were no plan assets in this period.

8 Deferred tax liabilities

	2007	2006
At 1 January	(22,594)	13,403
Lower tax rate		(1,626)
Acquired group companies		(417)
Group companies sold		930
Taken to the income statement (continuing operating activities)	15,884	(992)
Taken to the income statement (discontinued operating activities)		(34,274)
Taken to equity	219	382
	(6,491)	(22,594)
Recognised as deferred tax assets	13,893	25,823
At 31 December	7,402	3,229

The provision relates to:

2007	Intangible assets	Property, plant and equipment	Inventories	Pensions	Provisions	Other assets and liabilities	Subtotal	Capitalised carry-forward losses	Total
At 1 January 2007	7,456	3,242	619	(7,595)	(2,703)	2,210	3,229	(25,823)	(22,594)
Taken to the income statement		(891)	(313)	1,937	1,578	1,643	3,954	11,930	15,884
Taken to equity						219	219		219
At 31 December 2007	7,456	2,351	306	(5,658)	(1,125)	4,072	7,402	(13,893)	(6,491)

2006	Intangible assets	Property, plant and equipment	Write-down for tax purposes of group companies	Inventories	Pensions	Provisions	Other assets and liabilities	Subtotal	Capitalised carry-forward losses	Total
At 1 January 2006	8,510	4,081	16,220	1,070	(10,835)	(3,482)	1,510	17,074	(3,671)	13,403
Lower tax rate	(1,054)	(458)	(2,006)	(88)	1,080	388	130	(2,008)	382	(1,626)
Acquired group companies								-	(417)	(417)
Group companies sold							930	930		930
Taken to the income statement		(381)	(14,214)	(363)	2,160	391	(742)	(13,149)	(22,117)	(35,266)
Taken to equity							382	382		382
At 31 December 2006	7,456	3,242	-	619	(7,595)	(2,703)	2,210	3,229	(25,823)	(22,594)

9 Provisions

	2007	2006
Reorganizations	25,531	36,303
Anniversary and leaving benefits	8,025	9,664
Recognised under non-current liabilities	33,556	45,967

Reorganizations

	2007	2006
At 1 January	65,859	42,854
Add: taken to the income statement interest	8,377	50,887
	2,326	1,139
	76,562	94,880
Less: withdrawals	28,846	21,672
released to the income statement	1,358	6,910
change in discount rate	201	439
At 31 December	46,157	65,859

	2007	2006
Non-current	25,531	36,303
Current	20,626	29,556
	46,157	65,859

Of the non-current portion, EUR 1.7 million relates to the period after five years (2006: EUR 3.8 million).

The provision for reorganizations relates to the costs in relation to the agreed social plans. In particular, it includes the cost of redundancy programmes, outplacement, supplementary unemployment benefits, and senior staff benefits.

The costs of senior staff benefits comprise the continued payment of salary until the age of 60, and the payment of supplementary benefits in addition to existing (transition) benefits for early retirement and pre-pension between the age of 60 and 65.

The release to the income statement in 2007 is due to higher natural staff turnover than originally estimated. The release to the income statement in 2006 is due to an excess addition in the first half of 2006. Furthermore, in the second half of 2006 it became apparent that natural staff turnover was higher than originally estimated.

The provision is shown at present value, using a discount rate of 4.9 % (2006: 4.6%), based on the weighted average terms of the various plans and the associated interest rates for corporate bonds with a high credit rating (AA or higher).

Provision for anniversary and leaving benefits

A one-time payment is made to employees reaching an anniversary year (certain number of years of service) or in the event of (early) retirement. The calculation of this takes into account the possibility that employees will remain with the company based on historical averages.

The provision is shown at present value, using a discount rate of 4.9 % (2006: 4.6%), based on the weighted average terms of the various plans and the associated interest rates for corporate bonds with a high credit rating (AA or higher).

	2007	2006
At 1 January	10,003	9,901
Add: carried to the income statement	447	772
interest	426	331
	10,876	11,004
Less: withdrawals	307	454
released to the income statement	1,847	
change in discount rate	196	547
At 31 December	8,526	10,003

	2007	2006
Non-current part	8,025	9,664
Current part	501	339
	8,526	10,003

Of the non-current portion, at year-end 2007 EUR 4.6 million related to the period after five years (2006: EUR 6.3 million).

The release is the result of adjusted estimates concerning the chances of dismissal (which proved higher than expected) and the application of new mortality tables.

10 Long-term interest-bearing loans

	2007	2006
Loans by credit institutions	167,322	138,287
Finance lease liabilities	19,052	22,890
	186,374	161,177

Loans by credit institutions

Credit facility

In October 2007, Mecom Group took out a five-year syndicated credit facility worth one billion euros for its international group. Yearly the facility will be reduced in two instalments totalling EUR 60 million a year, starting as of 31 December 2008. The residual debt of EUR 760 million will have to be repaid at the end of the term. The new credit facility replaces various loans and facilities within Mecom Group, including the EUR 300 million credit facility that Wegener took out in 2005, of which EUR 55 million in the form of a seasonal facility. Due to the acquisition by Mecom, Wegener was obliged to redeem this facility before maturity.

Wegener uses the group facility managed by Mecom. At year-end 2007, Wegener withdrew a total of EUR 168 million from this facility in two separate tranches. In addition, EUR 40 million of the total Mecom group facility is available to Wegener as a seasonal credit facility. The credit facilities for the various companies within Mecom Group are interdependent. Wegener usually withdraws tranches from this facility for short periods; by the end of the term for each tranche the decision to raise, reduce or fully redeem the tranche (or to continue it unchanged) is taken on the basis of Wegener's current capital requirement. As this is a five-year facility, the credit used by Wegener is recognised as a long-term debt in its entirety. It is to the discretion of Wegener to determine the period of the tranches borrowed within this facility. As indicated above, the total facility will be reduced for the first time on 31 December 2008. The extent to which the reduction of this facility will generate short-term redemption obligations on the part of Wegener can only be determined at the (consolidated) level of Mecom Group. The same applies for the margins available under this facility.

The interest rate is based on Euribor, increased by a mark-up that is calculated in accordance with an agreed pricing system, with the mark-up being linked to the ratio of net interest-bearing debts to EBITDA (adjusted for exceptional items). Mecom must pay a commitment fee for the non-used part of the facility. According to specific criteria, each of the group companies within Mecom Group stands surety for the entire facility.

At year-end 2007, the average effective interest rate was 6.1% (2006: 4.9%).

Finance lease liabilities

These liabilities relate to the finance lease agreements for rotary newspaper presses, including peripheral equipment in The Hague and Apeldoorn and computer-to-plate equipment.

The finance lease contracts run until 2012 (rotary newspaper presses) and 2010 (peripheral equipment) respectively. The liability is paid on annuity basis. At the end of the contract term, Wegener will be entitled (but not obliged) to purchase all of the plant and equipment for the residual value at that time. The interest has been fixed for the term of the contract at 6.2%.

In 2007, new lease contracts were signed for computer-to-plate equipment in Enschede and Apeldoorn with a term of five years. These lease contracts run until 2012 at the latest. The average interest is 4.8%.

	2007	2006
At 31 December	23,925	27,431
Less: repayment commitments for the coming year are recognised under the current liabilities and amount to	4,873	4,541
Non-current liabilities at 31 December	19,052	22,890

The repayment commitments after five years are nil (2006: EUR 3.4 million).

The minimum lease payments and their present value are as follows:

	2007		2006	
	Minimum payments	Present value	Minimum payments	Present value
< 1 year	6,587	6,429	6,297	6,156
> 1 year and < 5 years	12,784	11,517	17,841	15,910
	19,371	17,946	24,138	22,066
Less: discount	1,425		2,072	
Present value	17,946	17,946	22,066	22,066

11 Current liabilities

Provisions

	2007	2006
Reorganizations	20,626	29,556
Anniversary and leaving benefits	501	339
Recognised under current liabilities	21,127	29,895

Please see the notes on pages 77 and 78.

Current interest-bearing liabilities

	2007	2006
Finance lease repayment liabilities	4,873	4,541
Bank credit facilities	7,061	13,391
	11,934	17,932

Other current liabilities

	2007	2006
Accrued staff costs	46,644	42,472
Payable to staff	1,066	2,658
Other tax and social security costs	17,175	16,976
Prepaid subscriptions	58,832	57,627
Payable to associates	39	502
Payable pension contributions	1,631	660
Other payable costs and accrued liabilities	28,438	36,618
	153,825	157,513

The payable staff costs include payable holiday allowance, holiday entitlements and profit-sharing. The payables to staff relate to commitments agreed with staff for the contribution savings plan and employee savings plan (former VNU Dagbladen). The plans were modified in 2001 and new savings are now paid into accounts held by third parties. The interest is 3.62% (2006: 2.65%). Payables to associates relates to trade debts. The increase in payable pension contributions can be attributed to a shift in the moment at which the contributions are paid.

12 Financial instruments**General**

The principal financial instruments of Wegener include the group facility, finance lease agreements, and cash and cash equivalents. The main purpose of the financial instruments is to finance the business operations of Wegener.

Wegener has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its operations. Wegener uses interest rate swaps to hedge the risk of cash flow fluctuations due to changes in market interest rates. There are no other derivatives.

Wegener does not use or issue financial instruments for trading purposes.

The main risks arising from financial instruments are interest rate risks. The policy is to hedge interest risks by taking out interest instruments.

Interest rate risk

The credit facility available to Wegener is characterised by a variable interest structure. Within a certain band width and in coordination with Mecom, Wegener is able to choose the term of a drawing. The use of interest derivatives limits the resulting interest rate risk. As of the balance sheet date, there are two interest rate swaps with a combined principal amount of EUR 60 million. Both swaps became effective as of 20 December 2007: the first (EUR 40 million) with a term of five years, and the second (EUR 20 million) with a term of three years. Both swaps were concluded with several reputable counterparties with high credit ratings.

The two interest rate swaps classify as cash flow hedges. The same reference interest rate applies to the group facility and the two swaps. By drawing a total of EUR 60 million from the group facility in tranches with the same term and interest rate fixing date as the two swaps, the two hedges are effective and hedge accounting is allowed. The fair value of the swaps is based on the current interest rate on the balance sheet date. Changes in the fair value of effective interest rate swaps are taken to equity (cash flow hedge reserve).

At year-end, the position with regard to interest rate swaps was:

	2007		2006	
	Amount	Average interest	Amount	Average interest
2000-2007			75,000	5.9%
2003-2007			25,000	4.3%
Total	-		100,000	
2007-2010	20,000	4.1%	20,000	4.1%
2007-2012	40,000	3.5%	40,000	3.5%
Total	60,000		60,000	

	2007	2006
Non-current	60,000	
Current		100,000
Total	60,000	100,000

The table below shows the sensitivity of profits before tax in the event of changes in the interest rates for the (net) bank debts, while all other variables remain unchanged.

	2007	2006
Increase / decrease in basis points	+/- 100	+/- 100
Impact on result before tax	-/+ 819	-/+ 462

In the event of a different change in basis points, the impact on the result before tax is directly proportional.

Foreign currency risk

Following the sale of the Wegener Direct Marketing division in October 2006, there have been virtually no transactions in currencies other than those in which the company reports. In 2007 the shell companies in the United Kingdom were liquidated.

Credit risk

The credit risk concerns a counterparty's failure to meet its payment obligations, or a change in the estimated chance of such a failure. Wegener has procedures and guidelines in place to limit credit risks for each contract party or market. These procedures, and the spread across so many customers, limit Wegener's exposure to risks associated with credit concentrations and market risks. Furthermore, subscriptions to newspapers are payable in advance. The maximum credit risk equals the carrying value of trade receivables as reported in the balance sheet.

Capital management

Wegener's primary capital management objective is to provide optimal support for its business operations so as to ensure their effectiveness, efficiency, profitability, and positive contribution to shareholder value.

The acquisition by Mecom has led to changes in objectives, policies, and procedures relating to leveraged financing arrangements. As explained in the section on long-term interest-bearing loans, Wegener uses the group facility managed by Mecom. This means that Wegener no longer reports to banks independently on leverage rates achieved, as it did prior to the acquisition. As a result of the acquisition by Mecom, the capital management policy will be geared to the applicable Mecom group policy.

Fair value

The fair value of the loans from credit institutions is equal to the carrying amount as they are subject to variable interest rates. The fair value of the finance lease liabilities at year-end 2007 was EUR 24.4 million (2006: EUR 28.2 million).

The fair value of the interest rate swaps at year-end 2007 was EUR 2.1 million positive on balance (2006: EUR 0.5 million negative).

The loans to associates recognised under financial assets are of a modest scale and subject to interest rates that are only minimally different from the current variable market interest rates. In light of their short term, the fair value of cash and cash equivalents, current receivables, and current liabilities is almost identical to the carrying amount.

13 Information on joint ventures

The balance sheets, income statements, and cash flow statements of the joint ventures AD NieuwsMedia (37%), ilocal Holding (49%, as of 1 July 2006) and Mensenlinq (65%, as of 10 January 2006) are recognised proportionately by Wegener.

The total of the proportional shares in the balance sheets items are as follows:

	2007	2006
Non-current assets	7,062	7,775
Current assets	8,394	11,992
	15,456	19,767

	2007	2006
Non-current liabilities	26,880	26,345
Current liabilities	20,090	20,712
	46,970	47,057

The total of the proportional shares in the income statement items are as follows:

	2007	2006
Revenue	65,730	69,263
Operating expenses	68,836	78,556
Loss from continuing operating activities before taxes	(3,106)	(9,293)
Taxes	(1,038)	2,209
Loss for the year	(4,144)	(7,084)

In 2006, the operating expenses include one-time costs in connection with reorganizations.

The total of the proportional shares in the cash flows are as follows:

	2007	2006
Cash flows from operating activities	(1,773)	(15,589)
Cash flows from investing activities	(371)	54
Cash flows from financing activities	2,153	7,456
Net cash flows	9	(8,079)

14 Contingent liabilities

Liabilities in relation to non-current assets on order

At 31 December 2007, the investment commitments for non-current assets on order amounted to EUR 34.8 million (2006: EUR 0.8 million).

Investment commitments

Wegener has acquired a 49% interest in Yellow Bear Company BV, currently named Ilocal Holding BV, in mid 2006 and 2% is agreed to be acquired in the first quarter of 2009. With respect to the remaining 49%, Wegener has a call option that runs from 1 January 2009 until 31 December 2011. In addition, Wegener granted the other shareholder a put option to the effect that, if Wegener does not exercise the call option, the other shareholder shall have the right to request, during the period from 1 July 2011 up to and including 31 December 2011 inclusive, that Wegener buys the 49% interest at a purchase price to be determined by experts.

Financing commitments

Wegener has agreed to finance the start-up costs of the joint venture AD NieuwsMedia up to a maximum of EUR 16.7 million at year-end 2007. The available facility will be reduced gradually and fall due at year-end 2009 (see the notes on this subject on page 55).

Tax audit

Audit of payroll tax, social security contributions and employee insurance contributions

In 2005, the Tax Office and the Employee Insurance Implementation Agency announced that they would be carrying out an audit of the application of the so-called fictitious-employment rules for the distribution departments of Wegener's newspaper companies. This audit covered the period 2000-2004. Similar audits were being carried out at several other companies in the industry, including former subsidiaries of Wegener. In the context of these audits, supplementary tax assessments were imposed by the tax authorities. In nearly all cases these related to supplementary tax assessments without any further substantiation. Objection proceedings were initiated against these supplementary tax assessments. When the above-mentioned former subsidiaries were sold, Wegener had provided certain guarantees with regard to their tax position.

In 2007 the audits at the distribution departments of Wegener's newspaper companies and at Wegener's former subsidiaries were completed. Definitive supplementary assessments were imposed for the years up to and including 2005, which have been processed in the 2007 financial statements. The industry association NDP (Nederlandse Dagbladpers) entered into a covenant with the Tax Office which includes a consistent interpretation of the application of the 'equivalent status plan'. Wegener will implement the agreements in the covenant in 2008.

Other financial liabilities

At 31 December 2007, Wegener had significant long-term commitments in relation to the lease of office buildings, cars, ICT services, and other services. These long-term commitments were concluded at market-conforming terms and conditions. The increase in 2007 is related to the four-year commitment entered into in December 2007 in connection with outsourcing WAN, LAN and IP-based telephony services.

The nominal value of the total commitment at 31 December 2007 amounted to EUR 113.0 million (2006: EUR 139.0 million) and consists of:

	2007	2006
< 1 year	31,000	38,000
> 1 year and < 5 years	64,000	78,000
> 5 years	18,000	23,000
	113,000	139,000

Security has been provided for part of the above commitments in the form of bank guarantees given to the contract parties concerned.

Wegener stands surety for the financing of ilocal Holding BV up to a maximum of EUR 1.5 million.

Koninklijke Wegener NV forms a single fiscal unit with most of its Dutch group companies, both in terms of corporate income tax and VAT.

Notes to the consolidated income statement

(in thousands of euros)

15 Revenue

	2007	2006
Publishing activities		
- advertisements Wegener daily newspapers	180,080	173,665
- advertisements AD NieuwsMedia (37%)	27,505	31,008
- advertisements in free door-to-door newspapers and weeklies	167,573	158,508
- subscriptions Wegener daily newspapers	196,046	194,130
- subscriptions AD NieuwsMedia (37%)	36,361	37,314
- graphic products	43,329	44,805
- internet products	15,188	11,903
- other revenue from newspaper activities	12,572	12,135
	678,654	663,468
- other publishing activities (magazines)		4,587
	678,654	668,055

The revenue from magazines relates to Wegener Golf and Party Publishing (up to and including July 2006).

16 Other income

Other income relates to gains realised on the sale of the interest in BV Algemeen Nederlands Persbureau ANP. The other income in 2006 relates in particular to the gains realised on the sale of Wegener Golf BV and Party Publishing BV. In addition, the real estate in Enschede was sold in 2006.

17 Raw materials and stores

	2007	2006
Newsprint	63,807	61,094
Other	9,796	8,945
	73,603	70,039

18 Work subcontracted and other external charges

	2007	2006
Transport and distribution	81,709	81,543
Other	58,356	62,341
	140,065	143,884

"Other" includes the cost of outsourcing graphic and editorial work.

19 Staff costs

	2007	2006
Salaries	203,633	245,715
Social security costs	28,189	28,225
Pension costs	18,710	1,095
Costs of Management Board share plan	(127)	89
	250,405	275,124

These amounts include additions to and releases from the provision for reorganizations and anniversary and leaving benefits. A further explanation can be found in the notes to the consolidated balance sheet in relation to (the additions to) these provisions (page 78).

Received ESF subsidies for training costs were deducted from the staff costs. For 2007 this totalled EUR 1.6 million (2006: EUR 1.8 million).

The composition of the pension costs was as follows:

	2007	2006
Contributions Graphic Sector Pension Fund	2,197	2,363
Share in cost of the PGB-PCM pension scheme of AD NieuwsMedia	1,047	405
Contributions Wegener General Pension Fund (APW)	16,610	16,034
Subtotal of pension costs for group defined contribution scheme	19,854	18,802
Contributions early retirement (VUT) and pre-pension schemes	2,318	5,704
Release of commitments for health insurance contributions during retirement		(16,590)
Release of provision for VUT commitments	(2,932)	(5,407)
Other pension contributions	(530)	(1,414)
Subtotal pension costs of defined contribution schemes	(1,144)	(17,707)
	18,710	1,095

A further explanation can be found in the notes to the balance sheet in relation to the additions to, and release of, the provision for pension liabilities (page 74).

Average staffing levels on fulltime basis

	2007	2006
Publishing activities	3,948	4,240
Central services	86	97
	4,034	4,337

Remuneration of Management Board and Supervisory Board

The following amounts for the remuneration of the Management Board were charged to the income statement (in euros).

	Regular salary	Performance related bonuses	Costs of share plan ¹⁾	Costs for pre-pension and pension	Total
J.C. Houwert	419,650	88,710	(53,455)	188,776	643,681
E.J.F. Busweiler	323,515	67,222	(35,693)	83,793	438,837
C.G. Boot ²⁾	163,591	34,803	9,064	58,436	265,894
J. Wegstapel ³⁾	65,999		(47,023)	16,328	35,304
Total 2007	972,755	190,735	(127,107)	347,333	1,383,716
Total 2006	1,034,398	197,047	88,969	432,343	1,752,757

1) Until 31 October 2007

2) From 25 April 2007

3) Until 14 March 2007

The pre-pension and pension costs include an amount of EUR 270,000 (2006: EUR 260,000) in pension costs relating to group defined contribution schemes.

The performance-related bonus depends on the return on capital employed, the earnings per share, and certain performance targets. If the performance is below a certain level, then no bonuses are granted; above a certain level, the maximum bonuses are granted. In addition, the performance-related bonus includes the costs of the long-term conditional bonus plan that replaced the share plan, as of 1 November 2007.

The following remuneration for the members of the Supervisory Board was charged to the income statement:

	Periodic remuneration paid
H.C.P. Noten	24,833
R. Pieterse ⁴⁾	20,833
R.J. van Schaik ⁵⁾	3,667
C.J.M. Stutterheim ⁶⁾	8,000
R.W.F. van Tets ⁴⁾	31,000
J.A.J. Vink	24,000
Total 2007	112,333
Total 2006	128,000

4) Resigned as of 1 November 2007

5) Joined the board as of 1 November 2007

6) Resigned as of 25 April 2007

The remuneration of members of the Supervisory Board is determined by the General Meeting of Shareholders, and is not dependent on the performance of Wegener. No share or option rights have been granted to the members of the Supervisory Board.

20 Amortisation of intangible assets

	2007	2006
Software	4,723	4,322
	4,723	4,322

21 Depreciation of property, plant and equipment

	2007	2006
Buildings	3,061	3,342
Plant and equipment	9,836	10,670
Other	3,638	4,911
	16,535	18,923

22 Other operating expenses

	2007	2006
Contract staff	17,396	12,541
Other personnel costs	8,900	7,927
Hotel, travelling, and business entertainment expenses	9,024	9,027
Car costs	6,994	6,950
Accommodation costs	15,451	16,831
Office expenses	11,640	10,938
Promotion costs	20,152	19,203
Services of third parties	38,739	35,806
Other costs	4,876	805
	133,172	120,028

23 Finance revenue

	2007	2006
Interest on loans to associates	518	225
Interest on cash at bank	44	409
Interest on loans to discontinued operating activities		2,394
Capitalised construction period interest costs	294	
Increase in fair value non-effective interest rate swap hedges		965
	856	3,993

24 Finance costs

	2007	2006
Interest on interest-bearing loans	9,466	8,582
Interest on financial lease agreements	1,530	2,196
Transaction costs old credit facility written off	1,370	
Amortisation of transaction costs current credit facilities	599	659
Interest on provisions discounted to present value	4,295	3,822
	17,260	15,259

25 Taxes

The applicable tax rate is the weighted average of the current rates. For 2007 this rate was 25.5% (2006: 29.6%).

The reconciliation of the tax expense based on the applicable rate for the profit before taxes and the tax expense recognised in the income statement is as follows:

	2007	2006
Tax based on the applicable tax rate	11,394	10,645
Domestic-source losses not yet available for set-off	839	
Participation exemption	(1,712)	(3,287)
Impairment of goodwill	676	
Release of provision for tax liabilities due to reduction of tax rate		(1,626)
Adjustment for previous years	955	796
Other changes	35	326
Tax expense according to income statement	<u>12,187</u>	<u>6,854</u>

	2007	2006
Recognised under deferred tax assets	12,187	12,157
Recognised under deferred tax liabilities		(14,775)
Recognised under current liabilities		9,472
	<u>12,187</u>	<u>6,854</u>

	2007	2006
The effective tax rate is	<u>28.1</u>	<u>19.1</u>

The prior-year adjustment in 2007 mainly relates to the write-off of a deferred tax asset concerning a joint venture. The prior-year adjustment in 2006 relates to a compromise reached with the Tax Office concerning a dispute about the allocation of head office costs to foreign activities, and the recognition of purchasing costs on acquisitions.

26 Discontinued operating activities

On 13 February 2007, a press release was issued on the sale of the shares in Wegener Fieldmarketing Holding BV to the management. The management already owned 10% of the ordinary shares.

After the sale of Wegener Fieldmarketing, Wegener no longer engages in any direct marketing activities. The international division Wegener DM had already been sold in 2006.

The results of DM activities are as follows:

	2007	2006
Revenue	1,599	77,405
Other income		
Revenue and other income	1,599	77,405
Operating expenses	1,620	78,780
Operating loss	(21)	(1,375)
Finance revenue/costs	5	(3,477)
Loss on discontinued operating activities before tax	(16)	(4,852)
Gain/loss on sales transaction	1,264	(32,786)
Transfer of currency translation reserve from equity		(10,558)
Tax income/expense:		
- in relation to profit/loss before tax	(10)	428
- in relation to profit/loss on sales transaction		34,274
Profit/loss on discontinued operating activities	1,238	(13,494)
Earnings/losses per share (in euros)		
- basic, for profit/losses from discontinued operating activities, attributable to holders of ordinary shares Koninklijke Wegener NV	0.03	(0.31)
- diluted, for profit/losses from discontinued operating activities, attributable to holders of ordinary shares Koninklijke Wegener NV	0.03	(0.31)

The tax income arising from the liquidation of the UK companies is included in the tax income for 2006 in relation to the loss on the sales transaction.

Net cash flows of DM activities are as follows:

	2007	2006
From operating activities	1,889	(4,583)
From investment activities	1,034	18,236
From financing activities		(21,117)
Net cash flows	2,923	(7,464)

Cash flows from investment activities for 2006 also include a net cash flow from sales transactions of EUR 24.3 million in October 2006. This amount relates to a gain of EUR 30.1 million less EUR 5.8 million of cash and cash equivalents also sold.

The average staffing level on a fulltime basis in 2007 at Wegener DM was 16 (2006: 565).

27 Earnings per share

Earnings per share are calculated by:

- > The basic earnings for the financial year attributable to the holders of ordinary shares, divided by:
- > The weighted average number of outstanding ordinary shares during the year.

Earnings per share net of the preference dividend on cumulative financing preference shares will accrue to the holders of ordinary shares in Koninklijke Wegener NV. During the financial year, 420,000 ordinary shares were issued in connection with the exercising of options by former and current members of the Management Board. The average number of shares changed as a result. In 2006, 200,000 shares were issued.

At year-end 2007 there are no more equity instruments that may dilute the earnings per share. At year-end 2006, earnings per share could dilute upon the exercising of the existing option rights, or when the shares granted under the Management Board share plan became unconditional.

Diluted earnings per share are calculated by dividing the net profit attributable to holders of ordinary shares of Koninklijke Wegener NV by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the potentially dilutive ordinary shares into ordinary shares.

The average listed share price of Koninklijke Wegener NV ordinary shares over 2007 was EUR 16.49 (2006: EUR 11.75).

In 2007, all options had an exercise price that was below the average share price for the year. Earnings per share in 2007 therefore dilute upon exercising of these options.

In the following table, the figures for earnings on shares are given that were used to calculate the basic and diluted earnings per share (in thousands of euros and thousands of shares):

	2007	2006
Profit attributable to shareholders of Koninklijke Wegener NV	32,492	15,525
Preference dividend	(1,567)	(1,567)
Profit for the year attributable to holders of ordinary shares Koninklijke Wegener NV	<u>30,925</u>	<u>13,958</u>

	2007	2006
Weighted average number of ordinary shares	44,802	44,525
Effect of dilution:		
- 2001 options		3
- 2002 options	16	22
- 2003 options	64	93
- 2004 options	37	32
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>44,919</u>	<u>44,675</u>

28 Related parties

As the holder of 86.43% of the ordinary shares in Koninklijke Wegener NV, Mecom Group plc has control over Wegener since 25 October 2007 and, for that reason, qualifies as a related party. No transactions have taken place with this related party, with the exception of an allocation of costs by Mecom (EUR 0.1 million).

Wegener also has, in addition to its shareholdings, a business relationship with some of its associates, whereby services and/or products are purchased from or supplied to such associates. These services are provided under normal contractual terms based on market-conforming conditions. The extent and the number of these transactions is very limited.

The bonuses for the Management Board and the Supervisory Board are explained separately. There is no other key management personnel as referred to in IAS 24.

29 Wegener profit concepts

The income statement can be affected each year by non-recurring exceptional items, which can make a comparison of the performance in different years less straightforward. Therefore, in addition to the profit definitions used in legislation, Wegener also uses the following concepts:

- > Profit from continuing operating activities before exceptional items (“adjusted EBIT”).
- > Net profit after preference dividend before exceptional items after tax (“cash earnings”) and per ordinary share (“cash earnings per share”). Net profit is the profit after appropriation to minority interests.

This also allows a better insight into the financial performance of the group.

Exceptional items:

Below is an overview of the impact of exceptional items on the income statement:

	financial statements 2007	Excluding exceptional items 2007	2006	financial statements 2006
Continuing operating activities				
Other income	3,049			11,694
Staff costs	250,405	250,405	258,295	275,124
Depreciation of property, plant and equipment	16,535	16,535	18,923	18,923
Impairment of goodwill	2,652			
Other operating expenses	133,172	128,296	119,223	120,028
Profit from continuing operating activities before taxes	60,548	65,027	53,369	47,429
Finance revenue/costs	(16,404)	(15,034)	(11,266)	(11,266)
Taxes	(12,187)	(14,272)	(11,579)	(6,854)
Profit from continuing operating activities	31,249	35,013	30,323	29,108
Discontinued operating activities				
Other operating expenses			17,546	17,546
Profit from continuing operating activities before taxes	(21)	(21)	(1,375)	(1,375)
Gain/loss on sales transaction	1,264			(32,786)
Transfer currency translation reserve from equity				(10,558)
Taxes	(10)	(10)	428	34,702
Profit/loss on discontinued operating activities after taxes	1,238	(26)	(4,424)	(13,494)
Profit for the year	32,487	34,987	25,899	15,614
Attributable to:				
- shareholders of Koninklijke Wegener NV	32,492	34,992	25,810	15,525
- minority interests	(5)	(5)	89	89
	32,487	34,987	25,899	15,614

The exceptional items detailed above relate to the following non-recurring earnings:

Continuing operating activities

Other income relates to gains realised on the sale of group companies and other interests. In 2006, the profit realised on the sale of group companies, associates and real estate was included under other income.

In 2006, the exceptional items in staff costs pertain to the reorganization costs and one-time costs relating to the transition of AD NieuwsMedia to the PGB-PCM pension fund. Also recognised under staff costs in 2006 is the release of the commitments for health insurance contributions during retirement.

The goodwill impairment relates to the write-off of goodwill on a joint venture.

Other operating expenses in 2007 mainly included consultancy fees in connection with the acquisition by Mecom. Other operating expenses in 2006 relate to reorganization costs.

The finance costs relate to a write-off of pre-paid financing costs following the early redemption of the credit facility in connection with the acquisition by Mecom.

The tax relates to the tax effects on the above-mentioned exceptional items insofar as the participation exemption is not applicable.

Discontinued operating activities

The gain realised on the sale of Wegener Fieldmarketing in 2007 qualifies as an exceptional item.

In 2006, the loss on discontinued operating activities includes exceptional items, such as the loss realised on the sale of Wegener DM, the transfer of the currency translation reserve, and the tax receivable arising on the liquidation of the UK companies.

Cash earnings

The profit for the year after preference dividend and before exceptional items after taxes is calculated as follows:

	2007	2006
Profit for the year attributable to equity holders Koninklijke Wegener NV	32,492	15,525
Exceptional items after taxes	2,500	10,285
	<u>34,992</u>	<u>25,810</u>
Preference dividend	(1,567)	(1,567)
	<u>33,425</u>	<u>24,243</u>

	2007	2006
Earnings per share after preference dividend and before exceptional items after taxes (in euros)		
- Earnings per share after preference dividend and before exceptional items after taxes attributable to holders of ordinary shares Koninklijke Wegener NV	0.75	0.54
- Diluted earnings per share after preference dividend and before exceptional items after taxes attributable to holders of ordinary shares Koninklijke Wegener NV	0.74	0.54

The earnings per share after preference dividend before exceptional items after taxes were calculated based on the weighted average number of ordinary shares and the effect of dilution within this as detailed on page 91 under 'earnings per share'.

30 Dividends paid and proposed

	2007	2006
Approved and paid during the year:		
- dividend on ordinary shares for 2005: EUR 0.14		6,220
- dividend on ordinary shares for 2006: EUR 0.19	8,489	
- preference dividend on cumulative financing preference shares for 2006: 5.33% per share of EUR 7.00	1,567	
Proposed by the Management Board and approved by the Supervisory Board on 5 March 2007 and 12 March 2008 respectively (not recognised as a liability at 31 December)		
- preference dividend on cumulative financing preference shares for 2006: 5.33% per share of EUR 7.00		1,567
- preference dividend on cumulative financing preference shares for 2007: 5.33% per share of EUR 7.00	1,567	
Proposed for approval at the General Meeting of Shareholders (not recognised as a liability at 31 December)		
- dividend on ordinary shares for 2006: EUR 0.19		8,472
- no dividend payment on ordinary shares for 2007		

Notes to the consolidated cash flow statement

31 Cash flows from operating activities

The cash flows of group companies acquired and sold during the year are recognised as of, or up to, the transaction date.

32 Cash flows from investing activities

For the items acquisition of group companies and acquisition of associates, the cash and cash equivalents held by the group companies and associates are net of outgoing cash flows connected with the acquisitions.

For the items sale of group companies and sale of associates, the cash and cash equivalents held by the group companies and associates are net of incoming cash flows connected with the sales.

33 Cash flows from financing activities

Shares issued in connection with optional stock dividends are not considered to be cash-generating.

In October 2007, Mecom Group plc concluded a five-year syndicated credit facility for its international group. Due to the acquisition by Mecom, Wegener was obliged to redeem the existing credit facility before maturity. Wegener uses the group facility managed by Mecom. In the cash flow statement the transactions mentioned above and the other changes in the 2007 credit facility have been recognised on a net basis under 'use of interest-bearing loans under credit facility'.

34 Reconciliation of balance sheet changes with cash flows

	Balance sheet changes	Consolidation/deconsolidation	Exchange differences	Other changes	Operating cash flow	Investment cash flow	Financing cash flow
2007							
Intangible assets	291				7,375	(7,084)	
Property, plant and equipment	(4,537)	(58)			16,535	(21,014)	
Investments in associates	55	53		65	(2,968)	2,905	
Deferred tax assets	11,930			11,930			
Interest rate swaps	(571)			(571)			
Other financial assets	1,460			909	551		
Working capital							
- inventories	212				212		
- taxes	(1,043)				(1,043)		
- trade and other receivables	6,567	(88)	7	(462)	7,110		
- current liabilities	(25,706)	93	(82)	(18,472)	(7,245)		
Assets less liabilities classified as held for sale	1,989			1,989			
Equity attributable to equity holders of Koninklijke Wegener NV	26,309			33,306	(165)		(6,832)
Minority interests	(279)				(279)		
Deferred tax liabilities	4,173			(11,711)	15,884		
Provisions	(19,019)			9,511	(28,530)		
Non-current liabilities	25,197			5,998			19,199
Profit for the current year				(32,492)	32,492		
Cash and cash equivalents	27,028	-	(75)	-	39,929	(25,193)	12,367

The other changes relate to balance sheet changes other than cash flows.

2006	Balance sheet changes	Consolidation/deconsolidation	Exchange differences	Other changes	Operating cash flow	Investment cash flow	Financing cash flow
Intangible assets	38,063	40,144	(310)	600	8,315	(10,686)	
Property, plant and equipment	38,880	12,556	(28)	401	20,926	5,025	
Investments in associates	145	(45,166)		(10,049)	21,623	33,737	
Deferred tax assets	(22,152)			(22,152)			
Interest rate swaps	(1,093)			(1,093)			
Other financial assets	(1,007)			(1,007)			
Working capital							
- inventories	952	387	(8)		573		
- taxes	8,714			8,714			
- trade and other receivables	17,388	23,121	181	4,807	(10,721)		
- current liabilities	(34,454)	(21,645)	95	15,768	(1,445)		(27,227)
Assets less liabilities classified as held for sale	(1,989)			(1,989)			
Equity attributable to equity holders of Koninklijke Wegener NV	22,370		(673)	16,511	10,558		(4,026)
Minority interests	(818)	(710)			89		(197)
Deferred tax liabilities	(13,845)	1,697		11,576	(27,118)		
Provisions	(11,845)	(346)		(14,064)	2,565		
Non-current liabilities	(42,260)	(10,038)	920	7,502			(40,644)
Profit for the current year				(15,525)	15,525		
Cash and cash equivalents	(2,951)	-	177	-	40,890	28,076	(72,094)

The other changes relate to balance sheet changes other than cash flows.

Events after the balance sheet date

No events have taken place after the balance sheet date that are relevant in connection with the financial statements.

Consolidated group companies and associates

		Country of establishment	% interest	
			31-12-2007	31-12-2006
Continuing operating activities				
Koninklijke Wegener NV		The Netherlands		
Wegener International BV	1) 2)	The Netherlands	100.0	100.0
Wegener Nederland BV	1)	The Netherlands	100.0	100.0
Wegener NieuwsMedia BV (Wegener Dagbladen BV)	1) 2) 6)	The Netherlands	100.0	100.0
Brabants Dagblad BV	1) 2)	The Netherlands		100.0
De Stentor BV	1) 2)	The Netherlands		100.0
De Twentsche Courant Tubantia BV	1) 2)	The Netherlands		100.0
Eindhovenens Dagblad BV	1) 2)	The Netherlands		100.0
De Gelderlander BV	1) 2)	The Netherlands		100.0
BN/De Stem PZC BV	1) 2)	The Netherlands		100.0
Uitgeverij BN/De Stem BV	1)	The Netherlands	100.0	100.0
Uitgeverij Provinciale Zeeuwse Courant BV	1)	The Netherlands	100.0	100.0
AD NieuwsMedia BV	3)	The Netherlands	37.0	37.0
Utrechts Nieuwsblad Haagsche Courant BV	1)	The Netherlands	100.0	100.0
Uitgeverij Nieuwsmedia BV		The Netherlands		100.0
Wegener MediaVentions BV (Wegener Multimedia BV)	1) 6)	The Netherlands	100.0	100.0
Wegener Huis-aan-huisMedia BV (Wegener Huis-aan-Huiskranten BV)	1) 6)	The Netherlands	100.0	100.0
Uitgeversmaatschappij De Bossche Omroep/De Waalwijker BV	1)	The Netherlands	100.0	100.0
Sport Communicators VOF		The Netherlands	50.0	50.0
Wegener ICT Media BV	1)	The Netherlands	100.0	100.0
Wegener NieuwsDruk BV (Wegener Grafische Groep BV)	1) 6)	The Netherlands	100.0	100.0
Wegener Facilitair Bedrijf BV	1)	The Netherlands	100.0	100.0
Menseninq BV		The Netherlands	65.0	65.0
ilocal Holding BV		The Netherlands	49.0	49.0
Autotruster BV		The Netherlands	80.0	
Discontinued operating activities and activities held for sale				
Wegener Fieldmarketing Holding BV		The Netherlands		99.8
Wegener Fieldmarketing Nederland BV		The Netherlands		99.8
Career Opportunity BV		The Netherlands		89.8
Exsample Media BV		The Netherlands		99.8
P3 NV		Belgium		51.0
Wegener Fieldmarketing Belgium bvba		Belgium		99.8
Wegener (UK) Marketing Plc		United Kingdom		100.0
Wegener DM Group Plc		United Kingdom		100.0
Sefton Polythene Ltd.		United Kingdom		100.0
Transmail Ltd.		United Kingdom		100.0
Wegener DM - Consumer Data Ltd.		United Kingdom		100.0
Wegener DM - DJLB Ltd.		United Kingdom		100.0
Wegener DM - Results Ltd.		United Kingdom		100.0
Associates				
De Nationale Regiopers CV	4)	The Netherlands	54.6	54.6
De Nationale Regiopers Beheer BV	4)	The Netherlands	54.6	54.6
Funda NV	5)	The Netherlands	30.0	30.0
Peel en Maas Uitgevers BV		The Netherlands	50.0	50.0
Zeeuws Vlaams Mediabedrijf BV		The Netherlands	49.0	49.0
Deutsche Post Selekt Mail Nederland CV		The Netherlands	46.6	46.6
SW Post Beheer BV		The Netherlands	46.6	46.6

		Country of establishment	% interest	
			31-12-2007	31-12-2006
Carto Participaties BV		The Netherlands		40.0
Beekman Media BV		The Netherlands	50.0	
ilocal International BV		The Netherlands	17.5	
Other interests in companies				
CV Twente Stadion		The Netherlands		11.1
ING Lease Starprint & Polaris Marketing BV		The Netherlands	49.0	49.0
Kenniswijk Regio Eindhoven BV		The Netherlands	3.7	3.7
Voice Data Bridge BV		The Netherlands		12.6
BV Algemeen Nederlands Persbureau ANP		The Netherlands		8.8
Spin in 't Veld		The Netherlands	90.0	90.0
Group companies without business activities or intermediate holding companies				
Stadsnieuws BV	1)	The Netherlands	100.0	100.0
Direct Marketing Services BV	1)	The Netherlands		100.0
Audet Nieuwe Media BV	1)	The Netherlands	100.0	100.0
Brabant Pers BV	1) 2)	The Netherlands		100.0
Uitgeversmaatschappij Gelderlander Weekbladpers BV	1)	The Netherlands	100.0	100.0
Assurantiebedrijf Grafia BV	1)	The Netherlands	100.0	100.0
Imatra BV	1)	The Netherlands	100.0	100.0
Oostelijke Weekbladpers BV	1)	The Netherlands	100.0	100.0
Rondo BV		The Netherlands	100.0	100.0
Suurland Holding BV	1)	The Netherlands	100.0	100.0
Wegener België BV	1)	The Netherlands	100.0	100.0
Wegener Music Group International BV	1)	The Netherlands	100.0	100.0
Wegener Regio Partners BV	1)	The Netherlands	100.0	100.0
Wegener Speciale Uitgaven BV	1)	The Netherlands	100.0	100.0
Wegener Post BV		The Netherlands	95.1	95.1
Racon Sales BVBA		Belgium	100.0	100.0
Reppu Groep BV	1)	The Netherlands	100.0	100.0
Reppu Investment BV	1)	The Netherlands	100.0	100.0
Wegener Direct Marketing Europe BV	1)	The Netherlands	100.0	100.0
Wegener (UK) BV		The Netherlands	100.0	100.0
Wegener Transport BV		The Netherlands	30.0	30.0

1) Declarations of liability have been issued by Koninklijke Wegener NV for these companies.

2) Merger as of 1 January 2007.

3) The share of voting rights in AD NieuwsMedia is 50%.

4) The share of voting rights in Nationale Regiopers is 50%.

5) The share of voting rights in Funda is 13%.

6) The name of the company was changed on 1 January 2008.



2007 Company financial statements of Koninklijke Wegener NV

Company balance sheet

At 31 December, before proposed appropriation of profit (in thousands of euros)

Assets

	notes	2007	2006
Non-current assets	35		
Financial assets			
Interests in group companies		25,585	35,141
Loans to group companies		618,938	535,968
Deferred tax assets		9,135	20,060
Interest rate swaps		1,664	1,093
		655,322	592,262
Current assets			
Trade and other receivables		662	2,332
Interest rate swaps		463	
Tax expense		150	
Cash and cash equivalents		27,057	
		28,332	2,332
		683,654	594,594

Equity and liabilities

	notes	2007	2006
Equity	36		
Issued share capital		14,763	14,637
Share premium		167,458	164,360
Cash flow hedging reserve		1,584	770
Retained earnings		83,013	77,709
Profit for the year		32,492	15,525
		299,310	273,001
Non-current liabilities			
Loans from credit institutions	10	167,322	139,969
		167,322	139,969
Current liabilities			
Debts to credit institutions	11	2,061	3,665
Interest rate swaps			1,566
Tax expense			893
Other current liabilities	37	214,961	175,500
		217,022	181,624
		683,654	594,594

Company income statement

(in thousands of euros)

	2007	2006
Earnings from interests in group companies after taxes	17,523	11,589
Other revenue and costs after taxes	14,969	3,936
Profit for the year	32,492	15,525

Notes to the company balance sheet

(in thousands of euros)

Accounting policies

The company financial statements were drawn up in accordance with Dutch reporting requirements. Use was made of the facility offered under the law to apply the same principles for company financial statements as for consolidated financial statements (Section 362 (8) of Part 9 of Book 2 of the Netherlands Civil Code).

For the accounting policies, please see the notes to the consolidated financial statements. The interests in group companies are recognised at net asset value according to the IFRS principle mentioned in the financial statements. The loans to group companies are recognised at face value.

35 General

Explanatory notes are only given below for those items that differ from the consolidated balance sheet.

Non-current assets

Financial assets

Interests in group companies

	2007	2006
Net asset value at 1 January	35,141	35,745
Operating profit group companies	17,523	11,589
Distributed dividend	(30,000)	
Exchange differences		(673)
Transfer to loans to group companies	2,921	(11,520)
Net asset value at 31 December	<u>25,585</u>	<u>35,141</u>

Loans to group companies

	2007	2006
At 1 January	535,968	642,344
Issues	85,891	
Repayment		(117,896)
Transfer from interest in group companies	(2,921)	11,520
At 31 December	<u>618,938</u>	<u>535,968</u>

Loans to group companies have a variable interest rate using the Euribor as reference. The Euribor rate is increased by a mark-up that is linked to the surcharge that Koninklijke Wegener NV owes for its external financing. No repayment schedules have been agreed.

36 Equity

The equity recognised in the company financial statements is equal to the equity that is attributable to the equity holders of Koninklijke Wegener NV recognised in the consolidated financial statements.

The changes in equity in 2007 were as follows:

	Issued share capital	Share premium	Gains and losses arising from cash flow hedges	Retained earnings	Profit for the year	Total
At 1 January 2007	14,637	164,360	770	77,709	15,525	273,001
Value changes in effective hedging interest rate swaps			814			814
Profit for the year					32,492	32,492
Issue of ordinary shares	126	3,098				3,224
Share plan of Management Board				(165)		(165)
Appropriation of profit for previous year				15,525	(15,525)	-
Dividends paid on ordinary shares for 2006				(8,489)		(8,489)
Preference dividend paid on cumulative financing preference shares for 2006				(1,567)		(1,567)
At 31 December 2007	14,763	167,458	1,584	83,013	32,492	299,310

The gains and losses arising from cash flow hedges are statutory reserves. The retained earnings are not payable for a negative value of these reserves.

37 Current liabilities

Other liabilities

	2007	2006
Debts to group companies	213,721	171,094
Other liabilities	1,240	4,406
	214,961	175,500

The debts to group companies relate to intercompany transfers for settlement of costs. In addition, at year-end 2007, bank balances held by wholly-owned group companies were granted as short-term loans to Koninklijke Wegener NV. Amounts owed to credit institutions of Koninklijke Wegener NV fell as a result.

The other liabilities relate to interest charges.

Notes to the company income statement

Since the results of Koninklijke Wegener NV are included in the consolidation, the company income statement is drawn up in an abbreviated version (under application of Section 402 of Part 9 of Book 2 of the Netherlands Civil Code).

Profit for the year is the profit attributable to equity holders of Koninklijke Wegener NV.

The notes related to the remuneration of the Management Board and the Supervisory Board are included in the consolidated financial statements.

Auditor's report

To the General Meeting of Shareholders
and Supervisory Board
of Koninklijke Wegener NV

Report on the financial statements

We have audited the financial statements of Koninklijke Wegener NV, Apeldoorn, the Netherlands, for the year 2007 as included in this report. These financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2007, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2007 and the company income statement for the year then ended and the notes.

Management's responsibility

The Management Board of Koninklijke Wegener NV 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 Management Board review 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 whether 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 of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Koninklijke Wegener NV as at 31 December 2007 and of its result and 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 with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Koninklijke Wegener NV as at 31 December 2007 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 Section 393(5)(e) of Book 2 of the Netherlands Civil Code, we report, to the extent of our competence, that the Management Board review is consistent with the financial statements as required by Section 391(4) of Book 2 of the Netherlands Civil Code.

Apeldoorn, The Netherlands, 12 March 2008
for Ernst & Young Accountants

Signed by P.J.T.A. van Kleef

Apeldoorn, The Netherlands, 12 March 2008

The Supervisory Board:

H.C.P. Noten, Chairman

R.J. van Schaik

J.A.J. Vink

The Management Board:

J.C. Houwert, Chairman

C.G. Boot

E.J.F. Busweiler

Other information

Profit distribution

	thousands of euros
Net profit for 2007 attributable to equity holders of Koninklijke Wegener NV	32,492
The Management Board decided, and the Supervisory Board concurred, on 12 March 2007, to make the following distribution:	
Dividend on cumulative financing preference shares	1,567
Addition to the general reserves	30,925

The dividend on cumulative financing preference shares will be payable beginning 22 May 2008.

Article 45 of the Articles of Association of Koninklijke Wegener NV, which pertains to the distribution of profits, consists of the following stipulations:

45.1

In addition to other reserves, the company has a dividend reserve for financing preference shares and a share premium reserve for financing preference shares, to which reserves only the preference shares are entitled. If the company acquires (depository receipts for) preference shares, an amount equal to the portion of the balance to be attributed to those (depository receipts for) preference shares in the share premium reserve for financing preference shares, and respectively in the dividend reserve for financing preference shares, will be charged to the share premium reserve for financing preference shares and respectively the dividend reserve for financing preference shares.

45.2

From the profit obtained in a financial year first of all, if possible – and this at the discretion of the Management Board and with the approval of the Supervisory Board – either an amount will be added to the dividend reserve for financing preference shares as primary dividend, or an amount will be paid out as primary dividend on the preference shares. The amount of these additions or distributions is equal to the dividend percentage as defined in paragraph 5, calculated on the average balance, weighted for passage of time, of the dividend reserve for financing preference shares during that financial year.

45.3

If profit in a financial year is not sufficient to make the additions or the distributions referred to in paragraph 2, in subsequent financial years the stipulations contained in paragraph 2 will only be applied once the deficit has been made up.

45.4

The Management Board is authorised, with the approval of the Supervisory Board, to decide to pay out on the preference shares an amount equal to the deficit as referred to in the preceding paragraph or to add it to the dividend reserve for financing preference charged to reserves, with the exception of the share premium reserve for financing preference shares and the dividend reserve for financing preference shares.

45.5

Of the profit remaining after application of the provisions contained in the preceding paragraphs, if possible, a dividend will be paid out on the preference shares equal to a percentage calculated on the sum of the nominal amount of the issued preference shares, increased by the average balance, weighted over time, of the share premium reserve for financing preference shares, and which percentage is fixed at five and thirty-three hundredths of one per cent (5.33%).

As of the first of January of the year two thousand and eleven and subsequently once every five (5) years, the dividend percentage of the preference shares will be adjusted to the arithmetic average to be calculated of the five (5) year euro denominated interest rate swap as published by Reuters on page "ISDAFIX2", calculated on the average of the last five (5) working days of the year prior to the dividend revision date, and this at eleven o'clock in the morning Central European Time, increased by a possible increment, which is to be determined by the Management Board with the approval of the Supervisory Board, of a maximum of three hundred (300) basis points, depending on the market circumstances prevailing at that time.

In the event that the prices on the aforementioned Reuters page are not available and that therefore no dividend percentage can be calculated as described herein above, the dividend percentage will be determined by taking the arithmetic average of the mean interests of the fixed euro denominated SWAP interest rate, rounded up to the nearest basis point, as issued on the last five (5) working days of the year prior to the dividend revision date by three banks, which banks issue "quotes" against receipt of a variable interest rate on the basis of six months Euribor, increased by an increment as described above. For the quotes, in principle reference is made to publications of the banks cited previously, to wit: (i) ABN AMRO Reuters page "AABIRSEU01", (ii) UBS Reuters page "WDREURSWAP1" and (iii) Barclays Bloomberg page "BXSUW01", or other pages of comparable European banks for which such quotes are available. If one of the aforementioned pages is not available, the bank in question will be requested to issue a direct quote for the day in question.

45.6

If profit in a financial year is not sufficient to make the payments as referred to in paragraph 5, in subsequent financial years the provisions stated in paragraph 5 will only be applied after the deficit has been made up.

45.7

The Management Board is authorised, with the approval of the General Meeting, to decide to distribute an amount equal to the deficit referred to in the preceding paragraph and to charge it to reserves, with the exception of the share premium reserve for financing preference shares and the dividend reserve for financing preference shares.

45.8

At the proposal of the Management Board and with the approval of the Supervisory Board, the General Meeting may decide to reserve a part of the profit remaining after application of the provisions stated in the preceding paragraphs. That which is not reserved of this profit will be distributed to the holders of ordinary shares, on the proviso that no dividend payment can take place as long as, at the time of the dividend payment, the balance of the dividend reserve for financing preference shares is positive.

45.9

The Management Board may decide, with the approval of the Supervisory Board, to make distributions charged to the share premium and dividend reserves for financing preference shares.

45.10

The Management Board may, with the approval of the general meeting, pay out an interim dividend, if and to the extent that profit so allows. Interim dividend can also be paid out solely on one type of shares. Interim dividend cannot be paid out on the ordinary shares if at the time of the dividend payment the balance of the dividend reserve for financing preference shares is positive.

45.11

In the event of the withdrawal and repayment of preference shares, in addition to the repayment of the nominal amount and the portion of the balance of the share premium and dividend reserves for financing preference shares to be attributed to those shares, a distribution will be made on the preference shares to be withdrawn, which distribution is calculated as much as possible in accordance with the provisions contained in paragraphs 2, 3, 5 and 6 of this article, including the amount of a deficit, and this to be calculated on a proportionate basis over the period from the day on which a distribution of dividend or an addition of dividend as meant in paragraphs 2, 3, 5 or 6 of this article was most recently made until the day of repayment.

Moreover, an amount will be paid out equal to the difference between:

- (i) the cash value of the dividend that would have to be paid out on the shares in question until the next dividend revision date as meant in paragraph 5 of this article if withdrawal had not taken place, and
- (ii) the cash value of the return, calculated for the same period, if the above determined amount that was paid out were to be reinvested in state loans with a remaining term lasting until the next dividend revision date.

45.12

Payments may only be made up to a maximum of the amount of the distributable portion of shareholders' equity.

45.13

Distribution of profit takes place after adoption of the annual accounts showing that this is permissible.

45.14

Decisions to pay out interim dividend pursuant to this article are only possible if the condition stated in paragraph 12 has been satisfied as revealed in an interim statement of assets and liabilities. This refers to the state of the assets and liabilities at the earliest on the first day of the third month before the month in which the decision to pay out interim dividend is announced. The statement must be drawn up with due observance of generally accepted accounting principles. The statement of assets and liabilities will include the amounts to be reserved pursuant to the law. It will be signed by the directors; if one or more of their signatures is missing, the reason for this omission will be stated. The statement of assets and liabilities will be deposited at the offices of the trade register within eight days after the day on which the decision to pay out is announced.

45.15

Decisions to make interim and other distributions shall be announced without delay.

45.16

In the calculation of the profit appropriation, the shares held by the company in its own capital are not included.

Share administration foundation report

Financing preference share administration foundation report

As required in Article 18 of the Provision for Administration of ordinary shares and cumulative financing preference shares of Koninklijke Wegener NV, we offer this report to the holders of depository receipts for such shares.

The boards met three times in the course of 2007. On 27 March the members discussed Wegener's 2006 annual report and the agenda for the General Meeting of Shareholders on 25 April. They were joined at this meeting by Mr. C.G. Boot, who was awaiting appointment to the Management Board as Chief Financial Officer at the coming General Meeting. There also was a discussion of the status of protective corporate constructions and implementation of the European takeover directive. At this meeting, Messrs. Van Tets and Doek were reappointed to board membership.

As is customary, the boards attended the General Meeting and cast votes for all shares not subject to proxy.

An informative gathering was held on 6 August to discuss the intended public offer of Mecom Group plc to acquire all outstanding (depository receipts for) ordinary Wegener shares. This offer by Mecom was advertised publicly on 28 August and was followed by an extraordinary meeting of shareholders on 25 September to discuss the offer. This meeting was attended by the board, which cast votes for all shares not subject to proxy. The corporate articles of association (bylaws) were amended at this meeting. As a result of this action, the depository receipts for shares became eligible for unlimited exchange for ordinary shares after the close of the public offer as of 25 October.

On 19 November the board met with Mr. J.C. Houwert, Chairman of the Management Board, to discuss the Mecom acquisition effort, which had resulted in Mecom's ownership of 86.43% of the outstanding (depository receipts for) ordinary shares. The remaining outstanding shares are owned almost entirely by a single party. In light of this situation, and the fact that depository receipts may now be exchanged for shares, the board is still considering whether it should be continued in its present composition.

The directors of the two foundations are:

- > Dr. W.M. van den Goorbergh, chairman (*B director*)
- > H. A. Doek (*B director*)
- > E. M. d'Hondt (*B director*)
- > R. P. Voogd (*B director*)
- > R.W.F. van Tets (*A director*)

The most significant activities of the individual board members are:

Dr. W.M. van den Goorbergh (1948)

- Other offices:*
- > Chairman, Supervisory Board, De Welten Groep Holding BV
 - > Chairman, Supervisory Board, DELA
 - > Member, Supervisory Board, OPG Groep NV
 - > Member, Supervisory Board, Bank Nederlandse Gemeenten NV
 - > Member, Supervisory Board, NIBC Bank
 - > Board member, Catholic University Foundation, Nijmegen
 - > Board member, Share Administration Foundation, Heijmans
 - > Board member, Share Administration Foundation, SBT (VION)
 - > Board Chairman, Share Administration Foundation, ANWB
 - > Board Chairman, AEGON Association

H.A. Doek (1947)

- Other offices:*
- > Member, Upper House, Dutch Parliament
 - > Board member, Dutch Northern Audit Office
 - > Chairman, Supervisory Council, East-Netherlands Child and Youth Psychiatric Foundation
 - > Member, Supervisory Board, Raptim Intercontinental

E.M. d'Hondt (1944)

- Other offices:*
- > Chairman, Supervisory Board, Continuon
 - > Chairman, Supervisory Board, Brink Groep
 - > Member, Supervisory Board, BMC
 - > Chairman, Review Board, Canisius Wilhelmina Hospital
 - > Board Chairman, GGD Nederland (association of Dutch municipal health services)
 - > Member, Supervisory Board, De Goudse Verzekeringen

R.W.F. van Tets (1947)

- Other offices:*
- > Chairman, Supervisory Board, Koninklijke Wegener NV (until November 2007)
 - > Advisor to Management Board, ABN AMRO Bank (to May 2007)
 - > Chairman, Supervisory Board, Arcadis
 - > Chairman, Supervisory Board, Equity Trust
 - > Chairman, Supervisory Board, Euronext Amsterdam
 - > Member, Supervisory Board, Euronext
 - > Member, Supervisory Board, IFF (Nederland) Holding
 - > Member, Supervisory Council, Academic Medical Center, University of Amsterdam
 - > Chairman, investment advisory committee, SFB (Dutch construction industry social fund)
 - > Board member, Buhmann Preference Share Administrative Foundation

R.P. Voogd (1941)

- Profession:*
- > Solicitor, former-notary and advisor, Nauta Dutilh
- Other offices:*
- > Chairman, Supervisory Board, Flint Holding
 - > Board Chairman, Wolters Kluwer Preference Shares Foundation
 - > Member, Supervisory Board, Algemeen Nederlands Trustkantoor
 - > Member, Supervisory Board, Koninklijke Verkade
 - > Member, Supervisory Board, Kas Derivaten Clearing
 - > Chairman, Preference Share Foundation, Grolsch
 - > Board member, Share Administration Foundation, Heijmans
 - > Board member, KAS BANK Effectenbewaarbedrijf Share Foundation
 - > Board member, Luchtmans Foundation (Koninklijke Brill)
 - > Board member, Effectengiro Robeco Direct Foundation
 - > Board member, Preference Share Foundation, Roto Smeets De Boer
 - > Board member, Preference Share Foundation, Smit Internationale
 - > Board member, Foundation to Manage Preference Shares in SBM Offshore

Annual remuneration of B directors is EUR 6,800.

The A directors are appointed by the Management Board of the company, with the prior approval of the Supervisory Board. The other members of the boards, designated B directors, are appointed by the boards of the foundations with prior approval of the Management Board and the Supervisory Board of the company.

Decisions of the boards are valid only when made in a meeting in which the number of B directors present in person or by proxy exceeds the number of A directors so present.

As of 31 December 2007, a total of 6,127,467 ordinary shares of EUR 0.30 nominal value, representing a total nominal value of EUR 1,838,240.10 were in administration by the Share Administration Foundation, and against which bearer depository receipts had been issued in an identical nominal value. This is on balance a reduction of 38,460,948 shares from the 2006 year-end total. The total outstanding depository receipts for cumulative financing preference shares remaining under administration at 2007 year-end was unchanged at 4,200,173, representing a total nominal value of EUR 1,260,051.90.

The activities involved in the administration of the shares were conducted by the administrator of the two foundations: N.V. Algemeen Nederlands Trustkantoor ANT, located in Amsterdam.

Apeldoorn, The Netherlands, March 2008
The Boards

Preference share foundation report

Stichting Preferente Aandelen Wegener is a foundation with the objective of promoting continuity in policy and identity of Koninklijke Wegener, NV, on behalf of all parties concerned with Wegener and its affiliated companies. Mr. J.F. van Duyne was reappointed to the board during 2007.

During 2007, the foundation board consisted of:

- > J.F. van Duyne, chairman
- > M.V. Brandt, vice-chairman
- > D.R. Hooft Graafland
- > J.C. Houwert
- > R.W.F. van Tets

No cumulative preference shares had been issued as of the 2007 balance sheet date.

On 25 September 1990, Wegener and the foundation entered into an issuance/placement option agreement with regard to the cumulative preference shares.

On 2 May 1995 an amended agreement between Wegener and the foundation concerning the issuance/placement option agreement was concluded. In the agreement, the foundation bound itself to Wegener to limit the exercise of the option to half of the number of ordinary shares in issuance at the time at which the option is exercised, unless the General Meeting of Shareholders shall have approved the foundation taking more cumulative preference shares. This limitation was to apply as long as depository receipts for shares in Wegener with limited redemption rights are outstanding.

The foundation was authorized to exercise its option, in pursuit of its statutory goals, should it believe that the company should be protected from an undesirable or hostile take-over attempt.

The foundation board met twice during 2007. In addition to customary attention to the annual accounts, the board's regular meeting included deliberation of the Dutch Code for Corporate Governance, protective construction regulations, and relevant prospective legislation. A subsequent meeting took place, in concert with board members of the Share Administration Foundation, to discuss the public offer of Mecom Group plc to acquire Wegener's ordinary shares.

After acquisition by Mecom of 86,43% of the (depository receipts for) Wegener ordinary shares, the corporate articles of association were revised, including elimination of the possibility of issuing cumulative preference shares. Consequently, the Preference share foundation was disbanded as of 31 December 2007.

Apeldoorn, The Netherlands, February 2008
The Board of Directors

Group companies, their activities, and important associated companies

(as of March 2008)

Daily newspapers

Wegener NieuwsMedia BV

Chairman, group management:

E.J.F. Busweiler

Group director,

editorial development & administration:

R. de Spa

Group director, consumer market:

Mrs. E.C. Meyer

Group director, advertising market:

H. van der Meer

www.wegenernieuwsmedia.nl

Titles and activities

BN/DeStem

Director/publisher: A.A.M. Verrest

Chief editor: J. van Uffelen

www.bndestem.nl

Brabants Dagblad

Director/publisher: M.F.A. Paans

Chief editor: Mrs. A. Besseling

www.brabantsdagblad.nl

Eindhoven's Dagblad

Director/publisher: P.P. van Bekkum (ad interim)

Chief editor: H. van Weert

www.eindhoven'sdagblad.nl

De Gelderlander

Director/publisher: S.C.G. Rietbergen

Chief editor: C.L.H. Pijnappels

www.degelderlander.nl

Provinciale Zeeuwse Courant

Director/publisher: A.A.M. Verrest

Chief editor: P. Jansen

www.pzc.nl

de Stentor

Director/publisher: X.D.W.L. Kroon

Chief editor: A.J.M. Engbers

www.destentor.nl

De Twentsche Courant Tubantia

Director/publisher: Mrs. G.J.M. Bastet

Chief editor: A. Vis

www.tctubantia.nl

AD NieuwsMedia BV (37%)

Director/publisher: B. van der Heijden

Chief editor: J. Bonjer

AD (national edition)

7 major city/region editions:

- AD Rotterdams Dagblad

- AD Haagsche Courant

- AD Utrechts Nieuwsblad

- AD Amersfoortse Courant

- AD Groene Hart

- AD De Dordtenaar

- AD Rivierenland

www.AD.nl

Multimedia activities

Wegener MediaVentions BV

Director: vacancy

Titles and activities

AutoTrack.nl

Manager: S. van den Hout

Marketing and sale of advertising in the automotive market on behalf of the daily papers and AutoTrack.

www.Autotrack.nl

JobTrack.nl

Director: H.T.A.J.M. Rimmelzwaan

Marketing and sale of advertising in the labour market on behalf of JobTrack.

www.Jobtrack.nl

Kleintjesmarkt.nl

Manager: Mrs. L. Flikweert

Marketing and sale of advertising in the classified advertising market on behalf of the daily papers and Kleintjesmarkt

www.Kleintjesmarkt.nl

ReisRadar.nl

Manager: Mrs. L. Flikweert

Marketing and sale of advertising in the travel sector advertising market on behalf of the daily papers and ReisRadar.

www.ReisRadar.nl

deOndernemer.nl

Manager: R. Aykaz

Marketing and sale of advertising in the small and medium-sized business advertising market on behalf of the daily papers (b-to-b special De Ondernemer) and deOndernemer

www.deOndernemer.nl

News sites*Manager:* R. van Dijk

The seven web sites of Wegener newspapers, each offering a varied package of news and services for that particular region.

www.krantenonline.nl**Dorpspleinen (village square sites)***Manager:* R. van Dijk

Web sites for and by local communities partly supported by the Wegener daily serving the area.

www.dorpspleinen.nl**ilocal (49%)***Director:* P. Grasdijk

The premier search site for locating businesses on a regional basis, and for profiles of individual firms.

www.ilocal.nl**Mensenliq(65%)***Manager:* J. Betten

The premier search site for family announcements.

www.mensenliq.nl**Free door-to-door newspapers****Wegener Huis-aan-huisMedia BV***Director:* J.V. Munsterman*General chief editor:* M.G.J. Jochemsenwww.wegenerhuisaanhuismedia.nl**National ad sales***Director:* F. van Domburg Scipio

Marketing and sales activities on behalf of the Wegener door-to-door papers in the national advertising market

Special publications

Business unit specializing in services to third parties related to preparation of newspapers, magazines, brochures, annual reports, books, and other printed products. The unit consists of specialists in design and production, project co-ordination, editing, purchasing, and distribution.

Newspaper production**Wegener NieuwsDruk BV***Director:* W. Cornelisse**Production locations**

Wegener Breda NieuwsDruk, Breda

Wegener NieuwsDruk Best, Best

Wegener NieuwsDruk Gelderland, Apeldoorn

Wegener NieuwsDruk Nijmegen, Nijmegen

Wegener NieuwsDruk Twente, Enschede

Wegener NieuwsDruk West, The Hague

Extensive, comprehensive graphic production services related to newspaper-type products such as daily newspapers, free door-to-door newspapers, magazines, periodicals, special publications and directories. Includes concept development and conducting prepress and printing operations, plus a full range of afterpress and bindery services, addressing and distribution (including personalized mailings)

www.wegenernieuwsdruk.nl**ICT****Wegener ICT|Media BV***Director:* J. Schreurs

Professional services involving information and communication technology, supporting Wegener's newspaper activities and multimedia products.

Facility services**Wegener Facilitair Bedrijf BV***Director:* H. Daals

Provides full range of accommodation and facility services for the entire Wegener organization.

Important associated companies

Funda NV	30.0%
Complete listing of residential properties and services via the internet (13% voting rights)	
SelektMail Nederland CV	46.6%
Delivery of postal matter	
De Nationale Regiopers CV	54.6%
Joint national account management for Dutch regional dailies (50% voting rights)	

(A complete list of associated companies is provided on page 99 of this report)

Maria Roosen

Maria Roosen, born in 1957 in Oisterwijk, near Eindhoven, studied at the Moller Institute in Tilburg and the Arnhem Art Academy.

The artist mainly makes objects and installations from glass, ceramics and textile. She uses these materials to give expression to themes such as corporality, sensuality and identity. Roosen creates rounded, friendly and inviting forms such as milk jugs and images reminiscent of body parts such as eyes, sperm cells and breasts. Roosen regularly works with coloured, hand-blown glass with which she makes huge pink milk pitchers, breakable spherical forms or transparent globes.

The encounter is central to Maria Roosen's work. She consistently makes it clear that her work is in fact always concerned with (figurative) sowing and reaping and everything this entails. Things must grow and appear in a way that is completely natural. She does not feel she is an artist of ideas, but she does follow a certain feeling that must be sternly sought and tested against the situation (both content and meaning) and against the materials. In doing so, she focuses on things that present themselves during the process of growth or making, because not everything can be conceptualized in advance.

Roosen's work is meant to gratify the senses and to confuse; cunningly and congenially she conjures with contrasts such as hard and soft, round and square, strong and weak. With her evocations and provocations of familiar conceptions about male and female, she follows in the footsteps of artists such as Eva Hesse and Louise Bourgeois. With her unusual materials and her wealth of sensual forms, she works on an oeuvre that is a welcome addition to reality.

Works by Maria Roosen can be seen throughout the Netherlands: in the Groninger Museum, the Stedelijk Museum in Schiedam, Museum Boijmans Van Beuningen in Rotterdam, the Gemeentemuseum in Helmond, and the Arnhem Museum of Modern Art. Her work has been exhibited in many galleries and museums in the country and abroad. In 1995, together with Marlene Dumas and Marijke van Warmerdam, she represented the Netherlands at the Venice Biennale.

Maria Roosen received the bi-annual Wilhelminaring award in 2006, the only oeuvre-prize specifically for Dutch sculpture. She lives and works in Arnhem.

Colophon

Editorial

E.J. van den Berg, Koninklijke Wegener NV, Apeldoorn

Graphic design and realization

Wegener Concern Vormgeving, Apeldoorn

Artwork

Maria Roosen

Paper

Cover	270 grams Skin
Text pages	135 grams Go! Matt
Art pages	150 grams Hello Gloss

Production

Grafisch Bedrijf Tuijtel, Hardinxveld-Giessendam

