



2008 Half year report

Consolidated balance sheet

(Before proposed appropriation of profit (in thousands of euros))

	30 June 2008	31 December 2007	30 June 2007
ASSETS			
Non-current assets			
Intangible assets	540,371	540,299	540,345
Property, plant and equipment	111,321	98,761	95,903
Investments in associates	4,471	4,459	4,568
Deferred tax assets	9,034	13,893	19,117
Interest rate swaps	2,339	1,664	2,390
Other financial assets	3,514	3,329	7,510
	671,050	662,405	669,833
Current assets			
Inventories	2,907	2,993	2,935
Taxes	150	150	3,129
Interest rate swaps	797	463	-
Trade and other receivables	78,115	77,321	82,293
Receivables on group companies	985	-	-
Cash and cash equivalents	20,399	32,498	3,286
	103,353	113,425	91,643
	774,403	775,830	761,476
EQUITY AND LIABILITIES			
Total equity			
Equity attributable to equity holders of Koninklijke Wegener NV	312,399	299,310	290,196
Minority interests	-	16	5
	312,399	299,326	290,201
Non-current liabilities			
Pensions	26,081	27,440	32,447
Deferred tax liabilities	7,672	7,402	8,148
Provisions	33,402	33,556	42,279
Interest-bearing loans	159,073	186,374	155,178
	226,228	254,772	238,052
Current liabilities			
Pensions	5,154	5,428	5,578
Provisions	20,999	21,127	23,476
Interest-bearing loans	20,831	11,934	26,417
Interest rate swaps	-	-	563
Trade payables	35,373	28,464	26,790
Liabilities to group companies	3,189	954	-
Other current liabilities	150,230	153,825	150,399
	235,776	221,732	233,223
	774,403	775,830	761,476

Unaudited

Consolidated income statement

(in thousands of euros)

	first half 2008	first half 2007	full year 2007
Continuing operating activities			
Revenue	355,537	345,037	678,654
Other income	-	3,018	3,049
Revenue and other income	355,537	348,055	681,703
Raw materials and stores	36,038	37,295	73,603
Work subcontracted and other external charges	77,576	69,769	140,065
Staff costs	142,915	130,275	250,405
Amortisation of intangible assets	2,964	2,217	4,723
Depreciation of property, plant and equipment	8,603	8,532	16,535
Impairment of goodwill	-	-	2,652
Other operating expenses	62,059	62,212	133,172
Operating expenses	330,155	310,300	621,155
Profit from continuing operating activities	25,382	37,755	60,548
Share of profit of associates	286	(686)	(708)
Finance revenue	381	337	856
Finance costs	(7,323)	(7,778)	(17,260)
	(6,656)	(8,127)	(17,112)
Profit from continuing operating activities before taxes	18,726	29,628	43,436
Taxes	(4,873)	(7,042)	(12,187)
Profit for the period from continuing operating activities	13,853	22,586	31,249
Discontinued operating activities			
Profit for the period on discontinued operating activities after taxes	-	1,238	1,238
Profit for the period	13,853	23,824	32,487
Attributable to:			
- equity holders of Koninklijke Wegener NV	13,907	23,829	32,492
- minority interests	(54)	(5)	(5)
	13,853	23,824	32,487
Earnings per share (in euros)			
- basic, for profit for the period attributable to holders of ordinary shares Koninklijke Wegener NV	0.29	0.52	0.69
- basic, for profit from continuing operating activities attributable to holders of ordinary shares Koninklijke Wegener NV	0.29	0.49	0.66
- diluted, for profit for the period attributable to holders of ordinary shares Koninklijke Wegener NV	0.29	0.52	0.69
- diluted, for profit from continuing operating activities attributable to holders of ordinary shares Koninklijke Wegener NV	0.29	0.49	0.66

Unaudited

Consolidated cash flow statement

(in thousands of euros)

	first half 2008	first half 2007	full year 2007
Cash flows from operating activities			
Revenue and other income from continuing operating activities	355,537	348,055	681,703
Total expense of continuing operating activities	330,155	310,300	621,155
Profit from continuing operating activities	25,382	37,755	60,548
Operating profit/loss on discontinued operating activities	-	1,243	1,243
Adjustment for:			
- gains on sale of non-current assets	-	(4,282)	(4,313)
- amortisation of intangible assets	2,964	2,221	4,723
- depreciation of property, plant and equipment	8,603	8,546	16,535
- impairment of goodwill	-	-	2,652
- changes in working capital	3,890	(9,519)	(966)
- changes in provisions	(3,578)	(14,506)	(32,652)
Cash flows from operations	37,261	21,458	47,770
Dividend received from associates	330	637	637
Finance revenue received	381	337	856
Finance costs paid	(5,613)	(6,570)	(12,557)
Tax received/paid	-	(43)	3,223
Net cash flows from operating activities	32,359	15,819	39,929
Cash flows from investing activities			
Acquisition of group companies	(117)	(726)	(692)
Sale of group companies	-	952	4,248
Capital contribution to associates	(172)	(652)	(651)
Purchase of intangible assets	(3,062)	(1,977)	(7,084)
Purchase of property, plant and equipment	(21,401)	(10,257)	(21,101)
Sale of intangible assets	26	-	-
Sale of property, plant and equipment	238	46	87
Net cash flows used in investing activities	(24,488)	(12,614)	(25,193)
Cash flows from financing activities			
Issue of ordinary shares	-	2,185	3,224
Higher/lower use of credit facility interest-bearing loans	(18,403)	2,485	19,199
Dividends paid to equity holders of Koninklijke Wegener NV	-	(8,489)	(8,489)
Dividends paid to holders of cumulative financing preference shares of Koninklijke Wegener NV	(1,567)	(1,567)	(1,567)
Net cash flows used in financing activities	(19,970)	(5,386)	12,367
Net cash flows	(12,099)	(2,181)	27,103
Net foreign exchange difference	-	(3)	(75)
Changes in cash and cash equivalents	(12,099)	(2,184)	27,028
At 1 January	32,498	5,470	5,470
At 30 June, 31 December respectively	20,399	3,286	32,498

Unaudited

Consolidated statement of changes in equity

Before proposed appropriation of profit (in thousands of euros)

2008	Equity attributable to equity holders of Koninklijke Wegener NV							
	Issued share capital	Share premium	Gains and losses arising from cash flow hedges	Retained earnings	Profit for the period	Total	Minority interests	Total Equity
At 1 January 2008	14,763	167,458	1,584	83,013	32,492	299,310	16	299,326
Value changes in effective hedging interest rate swaps			749			749		749
Total income and expense for the period recognised directly in equity	-	-	749	-	-	749	-	749
Profit for the current period					13,907	13,907	(54)	13,853
Total income and expense	-	-	749	-	13,907	14,656	(54)	14,602
Share plan of Management Board						-		-
Appropriation of profit for previous year				32,492	-32,492	-		-
Dividends paid for 2007:								
- on cumulative financing preference shares				(1,567)		(1,567)		(1,567)
In connection with divestment of group companies						-	38	38
At 30 June 2008	14,763	167,458	2,333	113,938	13,907	312,399	-	312,399
This relates to:								
- ordinary shares	13,503	139,317	2,333	113,938	13,124	282,215		
- cumulative financing preference shares	1,260	28,141			783	30,184		
At 30 June 2008	14,763	167,458	2,333	113,938	13,907	312,399		

Unaudited

2007	Equity attributable to equity holders of Koninklijke Wegener NV							
	Issued share capital	Share premium	Gains and losses arising from cash flow hedges	Retained earnings	Profit for the period	Total	Minority interests	Total Equity
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			1,232			1,232		1,232
Total income and expense for the period recognised directly in equity	-	-	1,232	-	-	1,232	-	1,232
Profit for the current period					23,829	23,829	(5)	23,824
Total income and expense	-	-	1,232	-	23,829	25,061	(5)	25,056
Issue of ordinary shares *)	78	2,107				2,185		2,185
Share plan of Management Board				5		5		5
Appropriation of profit for previous year				15,525	(15,525)	-		-
Dividends paid for 2006:								
- on cumulative financing preference shares				(1,567)		(1,567)		(1,567)
- on ordinary shares				(8,489)		(8,489)		(8,489)
In connection with divestment of group companies						-	(285)	(285)
At 30 June 2007	14,715	166,467	2,002	83,183	23,829	290,196	5	290,201
This relates to:								
- ordinary shares	13,455	138,326	2,002	83,183	23,829	260,795		
- cumulative financing preference shares	1,260	28,141				29,401		
At 30 June 2007	14,715	166,467	2,002	83,183	23,829	290,196		

*) In relation to the exercising of option rights 260,000 (depository receipts for) ordinary shares have been issued.

Notes on the accounts

General

The half-year report was drawn up on the basis of IFRS and in accordance with IAS 34. The accounting principles applied are the same as those used in the annual accounts for 2007. The results of Wegener Fieldmarketing have been included as discontinued operations in 2007. The figures also include book results obtained on this divestment. Due to changed circumstances, since March 2008, the 49% interest in ilocal Holding BV is no longer recognised as a joint venture, but as an associated company.

The profit appropriation proposed in the 2007 Annual Report was approved unchanged by the 2008 General Meeting of Shareholders held on 8 May. The dividend on (depository receipts for) cumulative financing preference shares was paid out in May.

Net interest-bearing debt decreased from EUR 165.8 million at 2007 year-end to EUR 159.5 million as of 30 June 2008.

Revenue

(in thousands of euros)

	first half 2008	first half 2007	% change	full year 2007
Publishing activities				
Advertisements Wegener daily newspapers	93,555	95,180	-1,7	180,080
Advertisements AD NieuwsMedia	14,146	14,767	-4,2	27,505
Advertisements free door-to-door newspapers and weeklies	89,597	85,008	5,4	167,573
Subscriptions Wegener daily newspapers	100,691	97,564	3,2	196,046
Subscriptions AD NieuwsMedia	18,627	17,857	4,3	36,361
Graphic products	22,360	21,506	4,0	43,329
Internet products	8,786	7,247	21,2	15,188
Other revenue from newspaper activities	7,775	5,908	31,6	12,572
	<u>355,537</u>	<u>345,037</u>	3,0	<u>678,654</u>

Exceptional items in the consolidated income statement

(in thousands of euros)

	reported first half 2008	excluding exceptional items		reported first half 2007
		first half 2008	first half 2007	
Other income	-	-	-	3,018
Staff costs	142,915	127,610	126,775	130,275
Other operating expenses	62,059	62,059	61,598	62,212
Profit from continuing operating activities before tax	25,382	40,687	38,851	37,755
Tax	(4,873)	(8,776)	(8,092)	(7,042)
Profit for the period on continuing operating activities	13,853	25,255	22,632	22,586
Profit/loss for the period on discontinued operating activities	-	-	(26)	1,238
Cash earnings		24,525	21,828	
Average number of outstanding shares (in thousands)		45,009	44,701	
Cash earnings per share attributable to holders of ordinary shares Koninklijke Wegener NV (in euros)		0.54	0.49	

The definition of exceptional items was changed in the first half year of 2008. Previously, in the event of restructuring only the costs of major reorganisations were reported as exceptional items. Because it is difficult to distinguish reorganisations on the criterion of size, all costs of reorganisations and redundancy programmes now are dealt with under this heading. The comparative figures in 2007 have been adjusted.

The exceptional items in the 2008 first half relates to restructuring provisions and costs for redundant staff. In the 2007 first half, the exceptional items were the book profit on the sale of Wegener's interest in press service ANP, costs of consultancy with respect to the proposed takeover by Mecom, costs for redundant staff, the book profit on the sale of Wegener Fieldmarketing and tax effects related to these exceptional items.

Events after balance sheet date

On 7 August 2008, a press release was issued announcing that Wegener and PCM have entered into discussions concerning the sale of Wegener's 37 per cent shareholding in AD NieuwsMedia BV to PCM. In addition, discussions are taking place concerning a possible acquisition of PCM Lokale Media BV by Wegener. PCM Lokale Media publishes 27 weeklies in the province Zuid-Holland. Both transactions will be subject, amongst other things, to agreement of binding sale and purchase documentation and approval, of the Dutch Competition Authority.

The possible divestment of AD NieuwsMedia will have an effect on the 2008 figures from Wegener. Except for an expected book profit, the expected effect on net profit is modest, while for the year 2008, the expected effect on revenue will be about EUR 23.0 million negative.

It is expected that the possible acquisition of PCM Lokale Media will have a modest effect on both profit from continuing operating activities as well as revenue.

To: Koninklijke Wegener N.V.

REVIEW REPORT

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the period 1 January 2008 up to and including 30 June 2008 of Koninklijke Wegener N.V., Apeldoorn, which comprises the consolidated balance sheet, income statement, cash flow statement, statement of changes in equity and the other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law, including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the period 1 January 2008 up to and including 30 June 2008 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Apeldoorn, 20 August 2008

Ernst & Young Accountants LLP

was signed by P.J.T.A. van Kleef