

13 March 2008

Wegener Operating Results

The following announcement was made this morning by Royal Wegener, a subsidiary company of Mecom Group plc.

PRESS RELEASE

Royal Wegener: 2007 operating result rises more than 20%

On 28 August 2007, Mecom Group plc (Mecom) made a public offer for all outstanding (depository receipts for) ordinary shares of Royal Wegener, the Dutch media group. As of the end of October, Mecom held 86.4% of the ordinary shares, thus having full control of Wegener, although the company remains listed on the Euronext Amsterdam Exchange.

During 2007, Wegener's focus was entirely directed toward the group's newspaper operations and the allied activities in the Netherlands. In contrast with reporting for 2006, there is no distinction between 'continuing' and 'discontinued' operations in this announcement.

Consolidated group revenue amounted to EUR 679 million, which was 1.6% above the figure for 2006. On a standalone basis, the figure was 2.2% higher. The operating result before exceptional items reached EUR 65.0 million, an increase of 22% over the EUR 53.4 million for 2006.

The cash earnings, representing the net result before exceptional items and after the preference dividend, equalled EUR 33.4 million, which is an increase of 38% over the 2006 figure.

Publishing activities

During 2007, there was a substantial contrast between developments in the first half and in the latter half of the year. The difference was the reverse of the prior year. The advertising market was stronger in the first half of 2007. Growth – particularly in recruitment advertising – stagnated in the second half of the year.

For Wegener NieuwsMedia, which publishes the group's regional daily newspapers, revenue from advertisers rose by 3.7% to EUR 180 million.

In February 2007, all of the dailies were successfully converted to compact tabloid format, and the transition was accompanied by a large number of new paid trial subscriptions. Subscriber and newsstand revenue rose by 1.0%, to EUR 196 million, and broke last years' trend of gentle decline.

Following the conversion to the tabloid format, the company introduced a group structure with central services and a standardised production procedure. This change was accomplished during the year, and represents a structural cost reduction of EUR 25 million on an annual basis. The restructuring of the dailies operations, including the integration of Media Groep Limburg, 100% owned since mid-2006 by Mecom, will be

pursued during 2008. The Limburg unit publishes two regional dailies in that province in the southeast of the Netherlands.

At AD NieuwsMedia, the joint venture with PCM publishers, in which Wegener has a 37% financial interest that is represented in the group's consolidated figures, advertising revenues were off by 11%, strongly influenced by the national advertisers. From the second quarter of 2007, the AD organisation assumed direct responsibility for sale of national advertising, previously handled by PCM. Subscriber revenue for AD were markedly more stable than in the previous years, showing a decline of 2.4%. Despite the revenue declines, AD NieuwsMedia was able in 2007 to record its first positive operating result.

For the group's free door-to-door newspaper operations – Wegener Huis-aan-huisMedia – 2007 was again a very good year. Advertising revenue reached EUR 168 million, up 5.7% above the figure for 2006. In no minor way aided by the 2006 introduction of the tabloid format and a standardized formula – *Dé Weekkrant* (the weekly) – the unit further strengthened its market-leading position, with more efficient production methods and an enhanced proposition to offer advertisers, especially national ones. Early in 2008, two new *Dé Weekkrant* publishing units were introduced in the northern Dutch provinces of Groningen and Friesland, areas previously not reached by the group's operations.

As in 2006 revenue from the group's online activities grew with 28%, rising to EUR 15 million. The primary influences in the increase were the automotive website AutoTrack.nl and the employment site, JobTrack.nl. At the end of the year, two new sites were launched: one for small and medium-sized businesses, DeOndernemer.nl, and a travel information and tour booking site, ReisRadar.nl.

For the group's graphic production operations, Wegener NieuwsDruk, there was major focus on preparations for renewal of the printing presses at Best, in the southern part of the country. Two new presses will be installed at this location during 2008. When the new presses are operational, at the end of the year, the printing plant at Breda, in the same region, will be closed. The overall project will be completed in 2009. This will be accompanied by decisions regarding the Mecom printing plant at Heerlen, in Limburg province, within the overall configuration of Wegener's graphic production activities.

Financial

The consolidated annual accounts for 2007 have been drawn up on the basis of IFRS (International Financial Reporting Standards) guidelines and in accordance with Dutch legislation and regulations, making use of the associated legal possibility to work with the same accounting principles for the company annual accounts as for the consolidated annual accounts. The annual accounts have received an unqualified auditor's opinion.

As indicated, Mecom owns 86.4% of the ordinary shares. In addition, Mecom has acquired all of the outstanding cumulative financing preference shares. On these cumulative financing preference shares, a dividend for 2007 amounting to EUR 1.6 million will be paid.

As a consequence of the Mecom acquisition, the previously existing financing arrangements for the Wegener group have been discontinued, and Wegener is now covered by the Mecom group-wide financing program.

Investments in tangible and intangible fixed assets totalled EUR 28.2 million, compared with EUR 17.6 million in 2006. The 2007 figure was lower than the anticipated EUR 50 million because of later delivery schedules for the new printing presses.

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.

The 2008 General Meeting of Shareholders will be held in Apeldoorn on 8 May. At the meeting it will be proposed, as earlier indicated in the public offer and the prospectus of Mecom Group plc of 28 August 2007, to declare no dividend on (depository receipts for) ordinary shares.

Also at this meeting, and as announced on 27 February 2008, Jan C. Houwert will step down as chairman of the Management Board of Royal Wegener.

Apeldoorn, The Netherlands, 13 March 2008

Management Board
Koninklijke Wegener NV

Note

The figures presented in this news release are from the 2007 Annual Report of Royal Wegener that has received, and includes, an unqualified auditor's certification dated 12 March 2008. This news release is not the full annual report. The annual report has not yet been presented for approval by the General Meeting of Shareholders, nor has it yet been published as is legally required.

| |
|---|
| Information concerning breakdown of revenue and operating profit |
|---|

| (in millions of euros) | 2007 | 2006 | change in % |
|---|--------------|--------------|------------------------|
| Continuing operating activities | | | |
| Advertisements Wegener daily newspapers | 180.1 | 173.7 | 3.7 |
| Advertisements AD NieuwsMedia | 27.5 | 31.0 | (11.3) |
| Advertisements free door-to-door newspapers and weeklies | 167.6 | 158.5 | 5.7 |
| Subscriptions Wegener daily newspapers | 196.0 | 194.1 | 1.0 |
| Subscriptions AD NieuwsMedia | 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 |
| | <u>678.7</u> | <u>663.5</u> | 2.3 |
| Magazines | - | 4.6 | |
| Revenue | <u>678.7</u> | <u>668.1</u> | 1.6 |
| | | | |
| Profit from continuing operating activities before exceptional items | 65.0 | 53.4 | 21.7 |
| Margin % | 9.6 | 8.0 | |
| Discontinued operating activities | | | |
| Revenue | 1.6 | 76.8 | |
| | | | |
| Loss on discontinued operating activities before exceptional items | 0.0 | (1.4) | |
| Margin % | - | (1.8) | |
| Total operating activities | | | |
| Revenue *) | 680.3 | 744.7 | (8.6) |
| | | | |
| Profit from total operating activities before exceptional items | 65.0 | 52.0 | 25.0 |
| Margin % | 9.6 | 7.0 | |

*) after elimination of revenue generated internally

Consolidated balance sheet

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

| | 2007 | 2006 |
|---|----------------|----------------|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | 540,299 | 540,590 |
| Property, plant and equipment | 98,761 | 94,224 |
| Investments in associates | 4,459 | 4,514 |
| Deferred tax assets | 13,893 | 25,823 |
| Interest rate swaps | 1,664 | 1,093 |
| Other financial assets | 3,329 | 4,789 |
| | 662,405 | 671,033 |
| Current assets | | |
| Inventories | 2,993 | 3,205 |
| Taxes | 150 | - |
| Interest rate swaps | 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 | - | 6,832 |
| | 775,830 | 770,891 |
| EQUITY AND LIABILITIES | | |
| Total equity | | |
| Equity attributable to equity holders of Koninklijke Wegener NV | 299,310 | 273,001 |
| Minority interests | 16 | 295 |
| | 299,326 | 273,296 |
| Non-current liabilities | | |
| Pensions | 27,440 | 34,048 |
| Deferred tax liabilities | 7,402 | 3,229 |
| Provisions | 33,556 | 45,967 |
| Interest-bearing loans | 186,374 | 161,177 |
| | 254,772 | 244,421 |
| Current liabilities | | |
| Pensions | 5,428 | 6,171 |
| Provisions | 21,127 | 29,895 |
| Interest-bearing loans | 11,934 | 17,932 |
| Interest rate swaps | - | 1,566 |
| Trade payables | 28,464 | 34,361 |
| Tax | - | 893 |
| Liabilities to group companies | 954 | - |
| Other current liabilities | 153,825 | 157,513 |
| | 221,732 | 248,331 |
| Liabilities for assets classified as held for sale | - | 4,843 |
| | 775,830 | 770,891 |

Consolidated income statement

(in thousands of euros)

| | financial statements 2007 | excluding exceptional items 2007 | 2006 | financial statements 2006 |
|--|--|---|-----------------|--|
| CONTINUING OPERATING ACTIVITIES | | | | |
| Revenue | 678,654 | 678,654 | 668,055 | 668,055 |
| Other income | 3,049 | - | - | 11,694 |
| Revenue and other income | 681,703 | 678,654 | 668,055 | 679,749 |
| Raw materials and stores | 73,603 | 73,603 | 70,039 | 70,039 |
| Work subcontracted and other external charges | 140,065 | 140,065 | 143,884 | 143,884 |
| Staff costs | 250,405 | 250,405 | 258,295 | 275,124 |
| Amortisation of intangible assets | 4,723 | 4,723 | 4,322 | 4,322 |
| 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 |
| Operating expenses | 621,155 | 613,627 | 614,686 | 632,320 |
| Profit from continuing operating activities | 60,548 | 65,027 | 53,369 | 47,429 |
| Share of profit of associates | (708) | (708) | (201) | (201) |
| Finance revenue | 856 | 856 | 3,993 | 3,993 |
| Finance costs | (17,260) | (15,890) | (15,259) | (15,259) |
| | (17,112) | (15,742) | (11,467) | (11,467) |
| Profit from continuing operating activities before taxes | 43,436 | 49,285 | 41,902 | 35,962 |
| Taxes | (12,187) | (14,272) | (11,579) | (6,854) |
| Profit for the year from continuing operating activities | 31,249 | 35,013 | 30,323 | 29,108 |
| DISCONTINUED OPERATING ACTIVITIES | | | | |
| Profit/loss for the year 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: | | | | |
| - equity holders 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 |
| Earnings per share (in euros) | | | | |
| - basic, for profit for the year attributable to holders of ordinary shares Koninklijke Wegener NV | 0.69 | 0.75 | 0.54 | 0.31 |
| - diluted, for profit for the year attributable to holders of ordinary shares Koninklijke Wegener NV | 0.69 | 0.74 | 0.54 | 0.31 |

Consolidated cash flow statement

(in thousands of euros)

| | 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: | | |
| - gain/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) |
| Taxes received | 3,223 | 730 |
| Net cash flows from operating activities | 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 | (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 holders of ordinary shares of Koninklijke Wegener NV | (8,489) | (6,220) |
| Dividends paid to holders of cumulative financing preference shares | (1,567) | - |
| Dividends paid by group companies to minority interests | - | (197) |
| Net cash flows used in financing activities | 12,367 | (72,094) |
| Net cash flows | 27,103 | (3,128) |
| Net foreign exchange difference | (75) | 177 |
| Changes in cash and cash equivalents | 27,028 | (2,951) |
| At 1 January | 5,470 | 8,421 |
| At 31 December | 32,498 | 5,470 |

Consolidated statement of changes in equity

| 2007 | Equity attributable to equity holders of Koninklijke Wegener NV | | | | | | | |
|---|---|----------------|--|-------------------|---------------------|----------------|--------------------|----------------|
| Before proposed appropriation of profit (in thousands of euros) | Issued share capital | Share premium | Gains and losses arising from cash flow hedges | Retained earnings | Profit for the year | 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 | | | 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

| Before proposed appropriation of profit (in thousands of euros) | Issued share capital | Share premium | Currency translation reserve | Gains and losses arising from | | Retained earnings | Profit for the year | Total | Minority interests | Total equity |
|---|----------------------|----------------|------------------------------|-------------------------------|---------------|-------------------|---------------------|------------|--------------------|--------------|
| | | | | cash flow | hedges | | | | | |
| 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 disposal 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.