tmg telegraaf media groep

ANNUAL REPORT 2014

COLOPHON

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

The Annual Report is available in digital format at:
www.tmg.nl

For more information:
corporatecommunication@tmg.nl

The Annual Report is also available in the Dutch language at:
www.tmg.nl

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telegraaf media groep

TMG ANNUAL REPORT 2014

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the mission of

JAAP DE GROOT

Don't defend, always attack. Those are the tactics with which Jaap de Groot keeps Telesport at the head of the journalistic field. "We have the moral obligation not to weaken."

'I'M VERY COMPETITIVE'

Name: Jaap de Groot
Age: 59
Position: Editor in Chief of Telesport
Brand: Telesport

"I always go for the attack. I did that in my teenage years when I played baseball for the Dutch under-18s team, and also in 1975 when I joined De Telegraaf, the daily newspaper of North Holland. My lefty colleagues thought I'd gone nuts. And that's exactly why I persevered. I'm not one for following the crowd. And I was brought up with the standards that I attribute to De Telegraaf: being enterprising, daring, doing.
Taking the initiative soon resulted in my first big newspaper scoop: an interview with Pelé who was making his first and only major transfer. The press manager wouldn't allow it, but I put together a flight plan and got to meet the footballer. I stayed in the same hotel, talked to the team captain and used him to get in touch with the trainer. In the end, he agreed to me interviewing Pelé in the changing rooms.

"Being enterprising, daring, doing; that is De Telegraaf"

TMG always needs to think one step ahead. That's how we stay ahead of our competitors. And whatever resources we deploy, it mustn't be a half-baked project. It always has to be an A-brand. Take VROUW for example. Thanks to all the innovations, it's soon become a true TMG brand, which is clever stuff. It also gives us the moral obligation not to weaken. If we do, it will have a direct impact on the newspaper as a whole.

Take your mike with you

The plan of attack used at Telesport is the relay theory. We start with the newspaper in the morning, then switch the focus to online, followed by our online video news early in the evening. We then also try to participate in the dialogue of the day via other media. Those tactics have been well noted in the editorial office. Our reporters often not only take their notepad but also a camera and microphone, so that they can supply input for all our media. That's how we can justify our pay-off 'Telesport, the sports news channel of the Netherlands, 24/7'. We always work as a team.
As the editor in chief, I do a lot of managing, but I still like to get out in the field. After major events such as a Formula 1 Grand Prix or the World Cup in Brazil, I'll be sitting in the office, flushed with excitement . It gives me energy, that same feeling as when we have a scoop. I love the competitiveness of my profession. And experience has taught me that you score the most when you attack."

TMG IN BRIEF

COMPANY PROFILE

Telegraaf Media Groep N.V. (TMG) is one of the largest news media companies in the Netherlands. Our core activity consists of creating and marketing content. The key brands are De Telegraaf, DFT, Telesport, Metro, Autovisie, Privé, VROUW, a number of strong regional dailies such as the Haarlems Dagblad and Noordhollands Dagblad, and Radio Veronica, Classic FM and Sky Radio.

These brands form the heart of the company. Our challenge is to optimally serve the consumer with news and entertainment at any time of the day and via all available forms of distribution. The consumers' needs are at the core of the choices we make. Through means of the collaboration among our brands we offer advertisers an attractive cross-media reach.

Revenue on the basis of continued operations at year-end 2014 was € 514.9 million and the Company had 2,259 employees (FTE) in service.

De Telegraaf is the largest newspaper in the Netherlands. Regionally, TMG operates in the provinces of Noord-Holland, Zuid-Holland, Utrecht and Flevoland. The key regional dailies are the Noordhollands Dagblad, Haarlems Dagblad, Leidsch Dagblad and De Gooi- en Eemlander. The free daily newspaper Metro primarily targets younger people between the ages of 18 and 35 on their way to work or school. The brands VROUW, Privé and Autovisie target specific target groups. We are reaching some 2.3 million listeners in the 20-49 years target group every day with our radio broadcasters Sky Radio, Radio Veronica, Classic FM and various digital music stations.

Aside from this, TMG has dozens of other brands and titles focused on providing news, entertainment, e-commerce, demand and supply in the personal consumer market and focused on TV production. Local and hyper-local news is provided by the free local papers (distributed door-to-door) and via Dichtbij.nl, an online news platform. TMG has two in-house printing plants. We publish puzzle magazines and digital puzzles in the Netherlands, Belgium, France, Denmark, Sweden, Germany and Spain via Keesing Media Group.

Our news and other products position us right at the centre of society. That entails responsibility for the impact of our products and production processes on people and the environment. Our policy in the area of Corporate Social Responsibility (CSR) is focused on sustainable market performance and helps us to increase the positive impact on people and the environment and to minimise the negative impact.

TMG is listed on the NYSE Euronext Amsterdam stock exchange and is part of the small-cap index (AScX). Market capitalisation at year-end 2014 stood at € 282.3 million.

CONSOLIDATED KEY FIGURES

In thousands of euros	**2014**	2013
Total income	**514,866**	542,318
Operating result	**-31,400**	-10,346
Financial income and expense	**-7,158**	225,929
Result continued operations before tax	**-38,558**	215,583
Income tax	**-494**	-4,985
Result discontinued operations after tax	**-23**	-42,694
Net result for the year	**-38,087**	177,874
Minority interest	**-4,281**	277
Result attributable to shareholders of Telegraaf Media Groep N.V.	**-33,806**	177,597
Proposed result appropriation (not included in the financial statements)		
Deducted/Released from reserves	**p.m.**	177,597
Dividend payment	**p.m.**	-301,275
Pay-out ratio	**p.m.**	p.m.
Per share in €		
Result	**-0.73**	3.83
Cash flow from operating activities	**0.52**	-0.33
Dividend	**p.m.**	6.50
Employees continued operations (fte) at year end	**2,259**	2,459

The 2014 and 2013 annual figures have been prepared in accordance with the IFRS-EU guidelines applicable in 2014. The significant accounting policies are included in the consolidated financial statements. The consolidated statement of profit and loss is presented on the basis of continued operations.

The result of discontinued activities or those held for sale is presented separately in 2014. The activities of Keesing Games, Mobillion, Hyves social network, Moviebites and Nobiles were already discontinued/sold in 2013. Relatieplanet was held for sale in 2013 as well as in 2014.

VISION AND STRATEGY

Ambition and vision

Telegraaf Media Groep wants to inform, inspire, entertain and create loyal consumers in the Netherlands. We deliver content to consumers, at the right place, at the right time and in the form selected by the consumer at that point: print, online, video, mobile and radio. We do this 24 hours per day and seven days per week. We create consumer loyalty via our strong brands, with news and entertainment. By exchanging data we optimally align our offer to consumer needs and opt for forms of distribution that match the consumption behaviour of our customers. Our brands jointly work on providing an attractive cross-media offer for both consumers and advertisers. We develop cross-industry partnerships to ensure a broader and more focused distribution of our products. This way we create value for our stakeholders.

Strategy

TMG focuses on the production of content for distribution via print, online, video, mobile and radio. Consumer behaviour is changing rapidly. The demand for products via digital and audiovisual media is increasing and the demand for print, in which our company traditionally has had a strong position is structurally declining. The business model originally was primarily based on delivery via print. TMG is faced with the challenge of successfully anticipating the opportunities and threats with its organisation, market approach and business models in this changing market.

At the end of 2014, TMG announced its direction for the future. The key word in that direction is focus. In 2015, a transition will be initiated on the basis of the following strategic principles:

- The consumer is at the centre of everything we do.
  We anticipate individual preferences in terms of products and services, as well as distribution models: print, online, video, mobile and radio. We exchange data in order to align our offer with the needs of the customer.

- Focus on the core business and key brands.
  Our core activity consists of the creation of content, particularly news and entertainment. Our key brands are De Telegraaf, DFT, Telesport, Metro, Autovisie, Privé, VROUW, the regional dailies – such as Haarlems Dagblad and Noordhollands Dagblad – and Radio Veronica, Classic FM and Sky Radio. In terms of the other brands and activities, we develop scenarios for the future for each component.

- Focus on innovation.
  All brands and titles are continuously innovating in order to follow changed consumer behaviour. Particularly in the provision of regional, local and hyper-local news there is a need to catch up. The company strongly believes in the importance of regional and local news, but then better aligned with digital consumption.

- Focus on internal collaboration.
  Our brands and titles jointly work on providing an attractive cross-media offer for consumers and advertisers. Business units in the back-office are working together in order to achieve efficiency gains in business operations.

- Focus on external collaboration.
  We develop cross-industry partnerships to ensure a broader and more focused distribution of our products. Where we perceive opportunities we create new products ourselves on the basis of our strong brands, or look for collaboration with partners, particularly in the area of data and distribution.

- We work with a flexible, efficient and competent organisation in which employees and their competencies match the growing demand for digital and audiovisual products and the declining demand for print.

- Sustainability is increasingly more firmly anchored into our business strategy and in our reporting. We are positioned at the centre of society with our products and are aiming for a positive impact on our market performance as well as on people and the environment with our business processes. The 2014 Annual Report represents the first step towards integrated reporting.

TMG is changing rapidly. Unfortunately this unavoidably results in a loss of jobs. However, change also offers opportunities. We require dedicated and competent employees to develop and optimise new initiatives and to achieve the required changes. TMG wants to stimulate employees and to give them scope. Talent development and advancement are key areas of focus. We will initiate new initiatives in that area as well in 2015.

Strategic priorities and objectives specified last year

Strategic Priorities and Objectives for 2014	Achievements in 2014
Reinforcement of the key brands.	Introduction of tabloid format, renewal of the editorial boards, the digital Sunday newspaper, and the expansion of video and mobile reinforced De Telegraaf brand. The other key brands also developed initiatives for this purpose, in particular Metro, VROUW, Autovisie, and the regional dailies. The strength of the Radio Veronica and to a lesser extent the Sky Radio brand declined. At the end of 2014 a new policy was therefore introduced for the Sky Radio Group.
New initiatives for the growth and transformation of a strong online organisation.	In the online advertising market, growth was primarily experienced due to video, mobile and tablets. Holland Media Combinatie experienced limited digital growth. The new initiatives for online and other growth were insufficient to be able to offset the decline in print.
Creating new business around De Telegraaf.	The sale of products and services via GroupDeal rose. The other commercial online activities only made a limited contribution to the strategic goals. The Water Sport Week and VaarTV (BoatingTV) were successful. The development of additional business was not sufficient to be able to offset the total decline in De Telegraaf revenues.
The consolidation and optimisation of regional and local brands and titles, and implement the online ambition by integrating Dichtbij.	Complete integration of the back-offices of Holland Combinatie and HDC Media and merger to form a single company: Holland Media Combinatie. It was decided not to proceed with the integration of Dichtbij, because the opportunities for synergy turned out to be limited. The collective costs dropped steeply.
The 2012-2016 € 70-million cost reduction programme, including a 350-FTE staff reduction, was expanded by € 50 million in the second half of 2013 and by a further staff reduction of at least 350 FTEs. The ultimate 2016 date was therefore brought forward to 2014.	In comparison to year-end 2011, total cost reductions of € 102 million had been achieved by the end of 2014. In 2014 the number of number of employees (FTE) declined by 200. The reductions, primarily at HMC, fell behind schedule.

Corporate Social Responsibility (CSR)

Our products put us right at the centre of society. That entails responsibility for the impact of our products and production processes on people and the environment. Our Corporate Social Responsibility (CSR) policy is focused on sustainable market performance and helps us achieve a positive environmental and social impact. The impact is spread across the entire supply chain: ranging from the purchase of materials to the products used by the consumer and from personnel development to the reduction in absence due to illness.

TMG purchases materials, such as paper, energy and ink. In addition, schooling, training and education services are purchased to optimise the knowledge and expertise of the organisation. Products, such as fuel and electricity are consumed during the production process and employees devote themselves to the creation of content and its exploitation. The resulting products are transported to customers (such as retail outlets) and consumers (such as subscribers), and are digitally distributed. The impact on consumers is felt at the end of this cycle (knowledge, entertainment) TMG's key environmental impact is indirectly related to the consumption of energy and raw materials used for the production of purchased materials, such as paper and ink, and directly to the in-house consumption of fuel, electricity and semi-manufactured goods, CO_2 emissions and the production of residual materials. The key social impact is inherent in the knowledge and wellbeing of employees and the impact of TMG's products on society.

The impact is monitored in several ways: on the basis of calculating the in-house emissions of CO_2, the identification of the consumption of materials such as paper, energy and production resources, and the requirements that TMG imposes on the purchase of products in the environmental domain. The social impact is currently monitored on the basis of indicators, such as absence due to illness, and education and training. Specific objectives have been established for several indicators. One of these is the objective to maximise the share of certified paper in the total volume of newsprint.

Strategic CSR Themes

TMG also established its CSR policy on its stakeholders' views. Meetings and analyses were conducted for this purpose in 2013. TMG has adopted the following strategic CSR themes on the basis of a materiality analysis, that includes a weighting of TMG's potential impact and stakeholder views:

- Raw Materials and Residual Materials;
- Energy Efficiency;
- Transparency;
- Sustainability Reporting;
- Good Employment Practices;
- Social Involvement;
- Partnerships and Sustainable Supply Chain Approach.

Furthermore, TMG endorses the principles of the UN Global Compact, the OECD Guidelines and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

CSR Management and Control

The responsibility for establishing the CSR strategy and policy rests with TMG's Executive Board. In 2014 a policy was developed to structurally implement the seven strategic CSR themes. TMG's business units are responsible for the implementation of the CSR policy. The CSR Management System they apply comprises the following: the CSR policy, the CSR value model (to establish relevant and material CSR aspects so as to be able to initiate and monitor actions), tasks and responsibilities, CSR reporting and a support structure.

The specified objectives will be incorporated into the performance evaluation and remuneration of the involved line management. Effective from 2015, a CSR Steering Group will be created. The Steering Group will consist of the CEO (Chairman), the CFO, the CSR Manager, a corporate communication advisor and various other involved employees. The Executive Board disseminates the policy, the CSR Manager supports the business units and manages a number of temporary CSR Task Groups.

Transparency

Transparency is one of our strategic CSR themes. We express this in various ways, including with this first step towards an integrated annual report. In this report, we provide information about the financial and commercial performance, as well as the environmental and social performance, if relevant, for each business unit. To ensure transparent reporting, TMG adheres to the guidelines of the Transparency Benchmark adopted by the Dutch Ministry of Economic Affairs, and the guidelines of the Global Reporting

Initiative (GRI 4) and the Carbon Disclosure Project (CDP). The CDP strives to lower CO_2 emissions. See www.cdp.net and use the search term Telegraaf Media Groep to view TMG's CDP reports. See http://corporate.tmg.nl/en/sustainability for the GRI Table.

Restructuring costs have been high in recent years. By eliminating these costs and focussing on normalised results there was insufficient focus on actual performance and the actual cash flows of the underlying business units. Effective from 2015, reporting and control will be adjusted.

Transparency in internal reporting is important to be able to properly evaluate the performance of business units, and to take the right measures on a timely basis. In recent years, high costs were frequently passed on to well-performing business units in order to enhance the declining result of underperforming business units. Effective from 2015, we will reduce the size of such internal transfers in internal reports. This makes responsibilities clearer and results more transparent.

A transparent annual report also provides clear information about our strategy and objectives and the progress made in this respect during the year under review.

In terms of transparency, two material CSR aspects are important for TMG: transparency of business operations and consistency with external schemes and systems, such as GRI, CDP and the Transparency Benchmark. In 2015, performance indicators (KPIs) and objectives will be established, in part on the basis of the stakeholder's dialogue.

The scores achieved for the Transparency Benchmark and the Carbon Disclosure Project already provide some insight into TMG's degree of transparency in 2014. In 2014, TMG rose to the 80th position in the Transparency Benchmark's rankings. TMG wants to raise its CSR policy and the associated reporting to a higher level.

Strategic CSR Theme	KPI	Unit	2014 Objective	2014 Result	2013 Result
Transparency	**Participation in CSR Benchmarks**				
	TMG's Transparency Benchmark score	#	Top 100	80	149
	TMG's Carbon Disclosure Project's score	#	> 70	75	62

Stakeholder Dialogue

TMG attaches a great deal of importance to regular consultation with stakeholders concerning the company's direction and their wishes and expectations concerning TMG. The Executive Board and the management boards of business units are involved in this in various ways.

Stakeholder Selection

During the stakeholder identification process, the stakeholders' actual/potential influence on TMG was reviewed. In terms of stakeholder selection, the stakeholders were subdivided according to the degree of influence on TMG and the degree of importance to TMG.

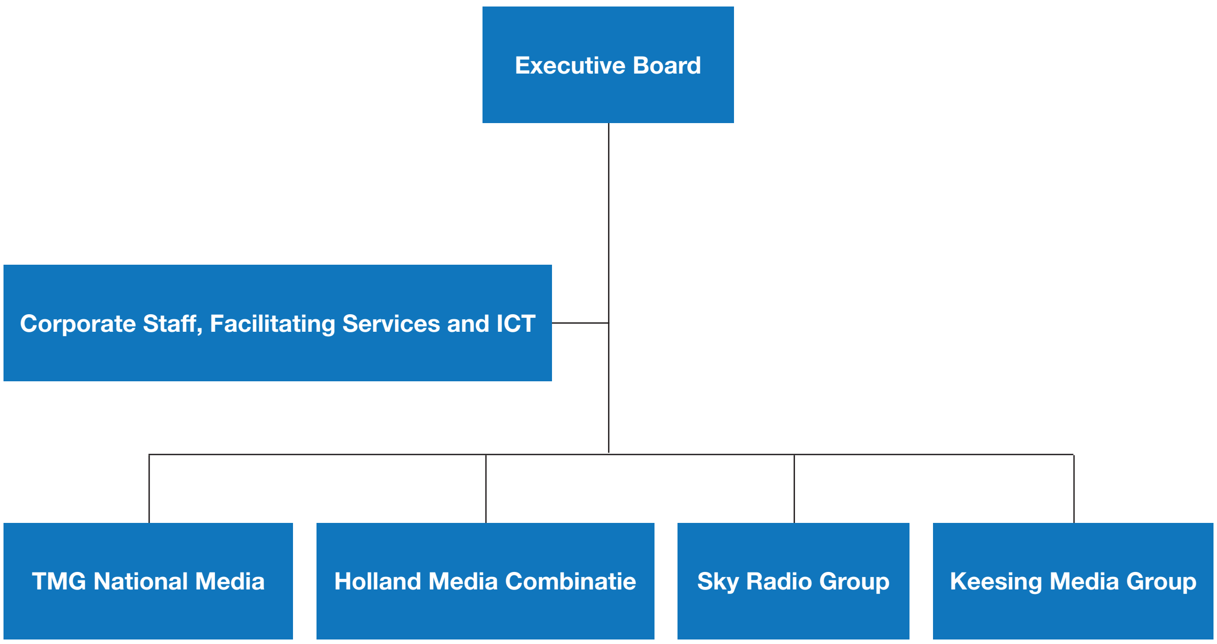
The summary below only contains the groups of stakeholders that are of crucial importance to TMG in terms of its business model: customers (consumers and advertisers), suppliers, shareholders, employees and partners.

Stakeholder Dialogue

Stakeholders	Dialogue Form	Dialogue Frequency	Dialogue Content
Customers (media consumers)	One-on-one	Daily	Delivery
	Customer panels		Content as such
	Social media		
Customers (advertisers and media agencies)	One-on-one	Daily	Reach, expression of content, objectives, opportunities, prices.
Internal stakeholders (employees, Supervisory Board, Executive Board, management/ management boards, works councils).	Full organisation meetings	Regularly	New organisation structure, strategy, acquisition policy, terms and conditions of employment
	Department meetings	Weekly	
	Bilateral meetings	Regularly	
	Planning & Evaluation cycle	Yearly	
	Meetings with Works Councils	Regularly	
	Direct mutual contacts	Daily	
Shareholders	Meeting of Shareholders	Periodically/Yearly	TMG's financial health
	Formal and informal meetings	Regularly	
Suppliers	One-on-one	Daily	Price, quality, sustainability

ORGANISATION AND MANAGEMENT

As at 31 December 2014



Executive Board

Geert-Jan van der Snoek, CEO Telegraaf Media Groep N.V. (effective 1 July 2014)

Leo Epskamp, CFO Telegraaf Media Groep N.V. (effective 1 September 2014)

Directors

Harry de Wit, Managing Director TMG Landelijke Media (effective 1 November 2014)

Ferdy Demmers and Gert Jan Oelderik, Management Board, Holland Media Combinatie (effective 1 November 2014)

Philip Alberdingk Thijm, Managing Director, Keesing Media Group (effective 1 July 2014)

Geert-Jan van der Snoek, Managing Director, Sky Radio Group (temporary since 1 October 2014)

THE TMG SHARE

Shares and Share Price

At the end of 2014, TMG's issued and paid-up share capital consisted of 46,350,000 ordinary shares and 960 priority shares, with a collective market value of € 282.3 million as at 31 December 2014. The number of ordinary shares remained unchanged in 2014. TMG is listed on the NYSE Euronext Amsterdam stock exchange and is part of the small-cap index (AScX). The ISIN code is NL0000386605.

Distribution of share ownership and protection of control

Insofar as this is known to TMG, the following shareholders have reported a direct equity interest in TMG of 3% or more to the AFM pursuant to the Dutch Financial Supervision Act (Wft): VP Exploitatie N.V. (30.5%) and the Telegraaf Media Groep N.V. Share Administration Trust (62.7%). The latter holds the shares for the purpose of administration. Within the Telegraaf Media Groep N.V. Share Administration Trust the following holders of depositary receipts for shares reported an interest of 3% or more: Dasym Investment Strategies B.V. (20.06%), Delta Lloyd (7.12%), M.M.J.J. Boekhoorn (5.0%), Navitas (5.01%), Tweedy Browne Company LLC (4.71%) and M.S. Paarlberg (3.35%). For an overview of all outstanding and potentially available defensive measures to guard against a possible takeover of control of TMG see the Other Information chapter: TMG Preference Shares Trust and TMG Priority Share Management Trust

Share price trends and key figures per ordinary share

The TMG share closed the year at a price of € 6.09. This was 33% lower than the share price at the end of 2013 (€ 9.11).

Key figures by ordinary share (x € 1)

	2014	2013
Earnings per share	**- 0.73**	3.83
Diluted earnings per share	**- 0.73**	3.83
Dividend	**TBD**	6.50

In 2013, there was an unusually high dividend payment in relation to the sale of the 6% interest in ProSiebenSat.1 Media AG. For an explanation of the earnings per share, see the Financial Statements, Note 24 Earnings per Share.

No profits were generated in the financial year 2014, consequently there will be no profit at the disposal of the General Meeting of Shareholders relating to the financial year 2014.

Dividend Policy

In 2014, at the proposal of the Executive Board, the General Meeting of Shareholders on 24 April adopted a resolution to set the dividend effective from the 2014 financial year dependent on the recurring operating cash flow. That is, the recurring EBITDA of the total operations subject to the deduction of the license fees owed by the Sky Radio Group (cash out), taxes, interest and replacement investments. The basic principle is a payout of 30% - 40% of this net operating cash flow, as far as possible within the statutory provisions and the covenants with banks.

For a complete overview of our policy concerning the appropriation of profit, see Other Information, Provisions in the articles of association concerning the appropriation of profit.

Financial Calendar

The TMG Annual General Meeting of Shareholders (AGM) will take place on 23 April 2015. At that time the Executive Board will report to the shareholders on the policy pursued. Effective from 11 March 2015, the agenda of the AGM can be viewed at www.tmg.nl. TMG's shareholders meet at least once a year during a General Meeting. This meeting is convened by the Executive Board or by the Supervisory Board.

Event	Date	Time	Comments
Press release Annual Figures	11 March 2015	Prior to trading	
Press conference	11 March 2015	09:30-10:30	Including audio webcast
Meeting with analysts	11 March 2015	14:00-16:00	Including audio webcast
2014 Annual Report	11 March 2015	16:00	Available online
Last date of registration for AGM	26 March 2015		
Annual General Meeting	23 April 2015	10:30	@ TMG, Basisweg 30, Amsterdam
2015 first quarter result	22 April 2015	Prior to trading	
2015 second quarter result	31 July 2015	Prior to trading	
2015 third quarter result	23 October 2015	Prior to trading	

Information for Investors

All public information concerning our performance, strategy and activities is available at http://tmg.nl/investors. If the Executive Board makes a presentation for analysts, investors and other interested parties, such as during the publication of the annual figures, it will be audio broadcast live on this website. The audiocasts and associated presentations can also be viewed at a later date.

the mission of

PAUL JANSEN

Paul Jansen spends more time in the Dutch Parliament than at home on the couch, all in the name of achieving his mission for De Telegraph. "I want to explain the facts."

'YOU NEED TO GET UP CLOSE IN POLITICS'

Name: Paul Jansen
Age: 47
Position: political commentator
Brand: De Telegraaf

"Working at De Telegraaf means top journalism for the largest paper in the Netherlands and that's why I love working here. It's the premier league for reporters. There's no ignoring De Telegraaf. Our 'in your face' layout is a clear statement; our front page is immediately recognisable.
My mission is to establish relationships between events, like my history teacher who did exactly that at secondary school. It was because of him that I became a journalist. I want to explain the facts, so that other people can form their opinions. In my analyses, I want to tell the story behind the news, explain it and clarify it. Of course, everybody has an opinion about politics but most people don't progress further than 'they've messed up again in The Hague'. For nearly 20 years now, De Telegraaf has offered me the opportunity to do something about that. I live in Leiden, though my family (wife and four children) thinks that I live in Parliament. The political world has been very unstable in recent years, so there's plenty for me to do. And you simply can't put your finger accurately on the news if you're not there. You need to get up close in politics. Get your feet dirty in order to really know what's happening.

> "Top journalism for the largest newspaper in the Netherlands"

The high-spots are the general elections, or cabinet crises. Everything and everyone is on the move and nobody can estimate the final effect. It's that unpredictability which makes politics so fascinating to follow. And yet it can be boring, when debates last for hours on end. And it may well just be a charade, because the decisions have already been taken behind the scenes. All that's left is for the politicians to go through a round of point-scoring. I really don't sit in on all those debates, you know. In any case, my work is mainly about maintaining my network - heading into the corridors, with time to talk to people.

Balancing on a thin line

The information from my network is often coloured, All politicians try to win over constituents in their own way. My task is to make the story as clear and as objective as possible. I want to give readers an insight into the political game and the stakes involved. What are the consequences? What interests and considerations are involved? I explain what's happening on the stage and give them a look behind the scenes. If I don't share that information, politicians will wrap the public around their little fingers.
When it comes to complicated themes, parliamentary journalism is a question of balancing on a thin line. You want to simplify the story but you need to cover the essentials. If I can't do so, then I sometimes simply won't write the story. Fortunately, I have room to give more extensive analyses and in-depth explanations in my weekly column and in the TV programme Vandaag de Dag, in which I occasionally feature. That's a fantastic sideline. Whatever the platform used, you always feel like you're part of a leading concern. TMG has the punching power, image and potential to continue to grow. I'm delighted to contribute to that."

REPORT OF THE EXECUTIVE BOARD

FOREWORD

Telegraaf Media Groep has had a difficult year. It was impossible to reverse the declining trend in revenue and due to the depreciation of non-current assets, particularly of the Sky Radio Group, the Company recorded a negative operating result of € 31.4 million. Yet, 2014 also was a year in which we made progress. The considerable cost savings and the reinforcement of our digital activities put TMG in a better position to build sustainable relations with consumers and advertisers. These must form the foundation for structural and healthy profitability in the future.

Results and Market Trends

TMG's revenues fell from € 542.2 million to € 514.9 million (-5.1%). The shift from news in paper format to digital consumption clearly continued. In line with the national trend, TMG Landelijke Media's revenues declined from € 293,7 million to € 272,0 million (-7.4%). The decline in advertising revenues exceeded the national trend. In the second half of 2014, it was decided to appoint a new Management Board at TMG Landelijke Media. The number of unique visitors to the digital components of the key brands grew considerably. At De Telegraaf, revenue from digital subscriptions rose by 71% and from combi-subscriptions it rose by 44%. This is encouraging, however, the base is still small and revenues were not sufficient to offset the decline in revenues from print.

Holland Media Combinatie's regional dailies and weeklies, and the free local papers (distributed door-to-door) are also confronted with a declining interest in the provision of paper-based news. In addition, the regional papers have a higher cost structure than the national papers due to the lower circulation. Total revenues fell from € 119.3 million to € 113.0 million (-5.3%). A large number of free local papers (distributed door-to-door) was loss-making. While we certainly see a future for distinctive regional and hyper-local content, it must be provided in innovative ways. We have to catch up in this area. We announced a move in that direction on 6 February 2015. In the new Holland Media Combinatie organisation structure, the four key brands of the regional dailies and the weeklies in the greater Amsterdam region form the basis for five new clusters. Each cluster will have its own regional Editor-in-Chief who, together with the Commercial Manager, will serve consumers and advertisers as effectively as possible on the basis of all the titles within their cluster. This way we encourage internal collaboration, we are better able to focus on achieving sustainable results and we save costs.

Revenues from Sky Radio Group decreased from € 40.2 million to € 39.0 million (-3.0%). The key reason for the decline is a decrease in advertising revenues from Radio Veronica due to the decreased listening market share. In last quarter of 2014, the station's director was replaced and its policy changed. The focus is now on the trusted, familiar value of Radio Veronica, with hits from the 80s and 90s, hit parades and increased accessibility for women. The competitive position of the Sky Radio brand is under pressure. The format has since been adjusted and additional investments in marketing, particularly via social media, will be made in 2015.

Keesing Media Group (KMG) had a good year. Revenues rose from € 67.0 million to € 68.1 million (+1.6%). KMG is one of the largest publishers of puzzle magazines in Europe and operates in seven countries. The shift from paper to digital consumption also affected KMG, however the company managed to effectively exploit its scale. Revenues and the result rose in part due to increased efficiency in distribution and increased automation in production.

The cost reductions effected in 2014, represent an important step. Personnel costs declined by 21.5% and the costs of raw and auxiliary materials declined by 10.3%. Total costs dropped only marginally due to the impairment of non-current assets in 2014 and high restructuring costs in 2013.

Restructuring costs have been high for a number of years. By focussing on recurring results there was insufficient focus on actual performance in recent years and the actual cash flows of the underlying business units. As a result it was not clearly evident that returns continued to decline in spite of the development of new activities focused on new revenue models. To improve transparency, reporting and control will be adjusted.

Basic Strategic Principles for 2015

In December 2014, TMG announced that it expected the results of many business units to be disappointing, in spite of the positive profit contribution of most key brands. A key objective for 2015 is to better exploit the increasing consumption of digital media. The digital initiatives of recent years, outside of the key brands, including the acquisitions in that area have made a limited contribution or were in fact loss-making. They are also not sufficiently complementary to the core activities. In December 2014, TMG consequently announced a refinement of the strategy, which will put the Company's focus even more specifically on the key brands. The key brands are De Telegraaf, DFT, Telesport, Metro, Autovisie, Privé, VROUW, the regional dailies – such as Noordhollands Dagblad en Haarlems Dagblad – Radio Veronica, Classic FM and Sky Radio. Digital initiatives that do not form part of the key brands and the printing plants will not form part of the core business. For each business unit that does not form part of the core activities, a future scenario will be developed whereby partnering with other parties is among the possibilities. In the second half of 2014, a number of new Board members was appointed as a first step towards healthier business operations.

Key Brands Product Trends

TMG's value primarily lies in its distinctive editorial content that the key brands offer and use to create customer loyalty. Investing in the key brands puts us in the position to be able to better capitalise on this value. We plan to expand and intensify the distribution of our products via cross-industry partnerships. Where we perceive new opportunities we create new products ourselves on the basis of our key brands, or look for collaboration with partners, particularly in the areas of data and distribution. There is a large potential here for growing consumer reach, and therefore advertising revenues. In 2015, we will more specifically try to realize such partnerships.

Better Identification of Consumer Needs

As a media company, each day we depend on how the consumer values our products. The consumer not only has an opinion about the content, but also has preferences for the way he/she wants to receive the news and entertainment, and when. And possibly, he/she also has a need for other products or services that TMG can supply from its own portfolio or via a partner. By more clearly identifying and monitoring consumer preferences and needs, TMG's brands will increasingly be capable of building long-term relationships with consumers and advertisers. This requires innovation in terms of customer contacts and communication, as well as data management, from all brands. We will be working hard on this in 2015.

Greater Internal Collaboration

The developments in the media market require the Company to transform itself. We will have to start working together more efficiently and differently on a cross-media offer with fewer people. Collaboration in the back-office must also produce efficiency gains in business operations. In 2014, various initiatives were already implemented to promote greater internal collaboration, such as the appointment of News Directors at De Telegraaf and the Shared Service Centre within Facilitating Services. We will continue along this path in 2015.

Retaining and Developing Talent

Many people have left the Company in recent years due to the cost reduction programmes. This contributed to the inability of the internal organisation and the business processes to keep pace with the rapidly changing market conditions and to lack of improvement in the results. As a result, talent development and advancement within the organisation came to a halt. In a large-sized change management project to be initiated in 2015, we will be offering various programmes for employees in different disciplines and job levels in order to create employee loyalty and develop our talent.

TMG is positioned at the centre of society with its products. We want to more firmly anchor sustainability in our business strategy and in our reporting. This Annual Report is the first step towards an integrated annual report in which we not only discuss our commercial and financial performance throughout the report, but also the impact of our activities on people and the environment.

2015 - A Transition Year

In 2015, it is absolutely essential that we further reduce the structural costs of our national as well as regional daily newspapers. Only then can we make the necessary investments for building up sustainable customer relationships that can elevate revenues to a fundamentally higher plane via a large scale of products.

The year 2015 will become a transition year in which adjustments to the organisation will lead to a downsized and more flexible and stronger core business. Over the course of 2015, the Executive Board will regularly announce steps to adjust the organisation that are expected to result in sustainable results on all business activities.

In 2014, the number of employees decreased by 200 FTEs. In 2015, there will be further reductions in personnel and flexibilisation of the workforce. The Executive Board realises that this causes uncertainty among employees. However, the transition to a modern and more decisive media company also creates new opportunities for professional development. The Executive Board would like to express its appreciation for the effort and dedication of employees in 2014 and is looking forward to building the TMG of the future over the coming years together with them.

The Executive Board,

Geert-Jan van der Snoek, CEO

Leo Epskamp, CFO

CONSOLIDATED FINANCIAL INFORMATION

Financial Performance

- The EBITDA result for 2014 was € 46.1 million and as such is € 25.0 million higher than the previous year. In 2013, the € 37.0 million in restructuring costs was reported;
- Revenues in the amount of € 514.9 million were € 27.5 million lower than they were in 2013 due to declining revenues from advertising and circulation;
- The revenues from digital activities (including video) dropped by 7.2% to € 64.2 million (2013: € 69.2 million). The decrease was primarily due to the termination of De Telegraaf webshop and the sale of two digital activities.

Result from Continued Operations

In thousands of euros	**2014**	2013
Revenues	**512,701**	542,230
Other operating income	**2,165**	88
Raw and auxiliary materials	**-38,263**	-42,656
Personnel costs	**-181,719**	-231,454
Other operating expenses	**-248,809**	-247,162
EBITDA	**46,075**	21,046
Depreciation	**10,691**	10,612
Impairment loss tangible assets	**6,049**	2,700
Amortisation	**17,829**	18,080
Impairment loss intangible assets	**42,906**	-
Operating result	**-31,400**	-10,346
EBITDA margin	**9.0%**	3.9%
Employees (FTE) at year-end	**2,259**	2,459

The impact of the high digitisation rate on the media landscape is also evident in TMG's operating results. This is reinforced by a persistent weak economy in the euro area. The organisation is in the process of renewal, which in part is finding its expression in the launch of De Telegraaf in tabloid and digital format. However, advertising and circulation revenues continue to be under pressure.

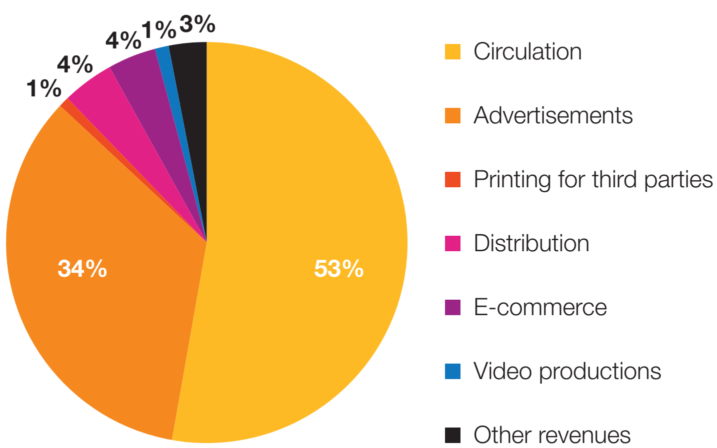
In spite of a solid cost reduction programme, the savings in 2014 were not sufficient to offset the decline in revenues. A € 37.0 million (2014: nil) restructuring provision was made in 2013. The FTE reduction programme was delayed in 2014, but will continue to be effected in 2015.

The EBITDA result amounted to € 46.1 million in 2014 (9.0% of revenues) compared to € 21.0 million in 2013 (3.9% of revenues). The operating result (EBIT) was negative € 31.4 million in 2014 (2013: negative € 10.3 million), in part due to an impairment of Sky Radio Group in the amount of € 40.9 million.

The activities sold or halted in 2013 are classified as discontinued activities. The result after tax of these activities is negative € 42.7 million of which € 29.1 million was recorded as impairments of intangible assets. In 2014, the result of terminated activities was virtually nil. Only Relatieplanet.nl is still classified as held for sale.

The net result realised in 2013 was € 177.9 million. The financial income and expenses in 2013 includes the result of the ProSiebenSat.1 participating interest up until 19 August in the amount of € 12.2 million. The shares in ProSiebenSat.1 were sold on 6 September 2013. In comparison to the valuation as at 19 August the realised result on the sale was € 218.3 million. The operating result and the result from discontinued activities for 2013 was negative.

Revenues



The economic slump persisted unabated in 2014, as a result of which consumer and producer confidence in the Netherlands remained low. Media spending in all platforms continued to be under pressure as well, and a shift in media spending, from print to online, has been perceptible for a number of years. These trends combined with TMG portfolio's sensitivity to cyclical economic movements have resulted in an accelerated decline in advertising revenues from print operations and a structural decline in circulation revenues.

TMG's total revenues fell by € 27.5 million to € 514.9 million. The decline in advertising and circulation revenues, respectively, was € 25.0 million and € 6.4 million. The other operating income of 2.2 million pertains to the income on the sale of fixed assets, including the proceeds from the sale of the intellectual property of MyRadio.

Circulation revenues declined by € 6.4 million (-2.3%) to € 273.7 million. Last year the decline was 3.6%. The decline is less than last year, in part due to the launch of De Telegraaf in tabloid format and the sale of combi-subscriptions (paper and digital). A De Telegraaf combi-subscription (paper and digital) promotion was initiated last year in combination with an iPad mini with the objective of allowing consumers to actively get used to premium content on the internet and in the digital newspaper. Premium content has also been introduced to regional media and is having success. Younger consumers in particular are migrating to digital news. In proportion, De Telegraaf's drop in circulation within the Group was highest; the above-referenced trends have hit the market leader hardest. Single copy sales abroad dropped steeply during the summer period. Increasingly more consumers are accessing the news via tablets and smartphones.

Of the total revenues in 2014, € 60.1 million was realised abroad (2013: € 59.9 million). In spite of a decline in the revenues derived from single copy sales of De Telegraaf, primarily in South Europe, total revenues abroad rose. The key revenues abroad concern the international activities of Keesing Media Group in Belgium, France, Denmark, Sweden, Spain and Germany. By tapping new markets total revenues from puzzle magazines rose.

Advertising revenues from print activities declined by 15.2% (2013: -15.5%). On a percentage basis, the decline was highest for the national daily newspapers (-18.6%) and the free local papers (distributed door-to-door) (-10.8%). This in spite of the fact that 2014 was a year with many events, such as the Olympic Winter Games and the FIFA World Cup. Advertising revenues derived from the regional dailies remained virtually stable. The decline was evident in virtually all sectors and, in addition, was also due to the removal of the free daily newspaper Sp!ts from the market.

In 2014, work was started on restyling Radio Veronica, following a successful restyling of Sky Radio in 2012. The objective of restyling Radio Veronica was to reach a younger target group with the help of a different music genre, a new DJ line-up and a new marketing campaign. During 2014, it became clear that the desired impact on this qualified ‘golden oldies’ lot was not being achieved. Radio Veronica’s listening figures dropped. Effective 1 November, Erik de Zwart was appointed Station Director Radio Veronica. Sky Radio was unable to fully stabilise its listening figures and share of spending. Spot revenues for Sky Radio Group consequently declined by € 3.5 million.

Revenues from **digital activities** (including video) declined by 7.2% to total revenues of € 64.2 million (2013: € 69.2 million). The decline is primarily due to the termination of De Telegraaf webshop. In 2014, Landelijke Media acquired full ownership of GroupDeal, which will further develop the e-commerce activities. In addition, in the first half of 2014, the activities of Zoom.in Nederland B.V. and Ticketsplus B.V. were sold. The digital advertising revenues of Landelijke Media rose by € 2.4 million, primarily due to Telegraaf.nl.

Revenues from distribution activities for third parties increased by € 1.6 million due to the distribution partnering initiated in 2013 with De Persgroep for the distribution of daily newspapers in the provinces of North Holland, South Holland and Limburg. Part of the joint distribution activities is performed by the Telegraaf Media Groep as a result of which distribution activities have a higher coverage.

Other revenues declined by € 0.1 million, whereby video productions and e-commerce activities experienced a decline and digital consumer revenues (including digital bundles and online games) and other revenues rose.

Segmentation of Revenues

x € 1 million	**2014**		2013	
National media				
National newspapers	**199.5**	**38.9%**	217.0	40.0%
Magazines	**18.2**	**3.5%**	19.8	3.7%
Internet	**54.3**	**10.6%**	56.7	10.5%
Other	**-**	**0.0%**	0.1	0.0%
	272.0	**53.1%**	293.6	54.1%
Holland Media Combinatie				
Regional newspapers	**74.9**	**14.6%**	78.6	14.5%
Free local papers	**29.2**	**5.7%**	30.6	5.6%
Internet	**9.7**	**1.9%**	11.8	2.2%
	113.8	**22.2%**	121.0	22.3%
Sky Radio Group				
Radio	**36.6**	**7.1%**	39.5	7.3%
Internet	**0.2**	**0.0%**	0.7	0.1%
	36.8	**7.2%**	40.2	7.4%
Keesing Media Group				
Puzzle Magazines	**68.0**	**13.3%**	67.0	12.4%
	68.0	**13.3%**	67.0	12.4%
Facilitating services				
Third party printing	**3.5**	**0.7%**	3.2	0.6%
Third party distribution	**18.4**	**3.6%**	16.8	3.1%
Other	**0.1**	**0.0%**	0.1	0.0%
	22.0	**4.3%**	20.1	3.7%
Head office				
Other	**0.1**	**0.0%**	0.3	0.1%
	0.1	**0.0%**	0.3	0.1%
Total	**512.7**	**100.0%**	542.2	100.0%

Operating expenses

In 2014, **operating expenses,** excluding depreciation, amortization and impairment losses, decreased by € 52,5 million to € 468.8 million. In 2013, restructuring costs in the amount of € 37.0 million (2014: nil) were recognised as a result of the initiated cost reduction programme. There was a structural decline of € 15,5 million in operating expenses. The ongoing cost reduction programme is to produce savings amounting to € 120 million (in comparison to 1 January 2012).

The costs of **raw and auxiliary materials** declined by € 4.4 million due to the lower cost of paper amounting to € 2.3 million and the reduced circulation of newspapers. The stock of raw and auxiliary materials maintained at the end of 2014 was valued at € 6.0 million (2013: € 5.6 million).

An FTE reduction that affects all business units within TMG forms part of the ongoing cost reduction programmes. The organisation will be further simplified by reducing the number of management layers and employees. In 2013 the second phase of a reorganisation involving 350 FTEs was initiated, which was scheduled to be completed by the end of 2014. In 2013, a restructuring provision of almost € 37.0 million was made in support of the second phase. A delay was encountered in a number of business units, in which Holland Media Combinatie (local and regional media) at 115 FTEs had the largest share. Holland Media Combinatie will implement this FTE reduction in the first quarter of 2015.

Personnel costs, excluding restructuring costs, declined by € 12.9 million in 2014. In 2014, the number of FTEs decreased by 200. Wages, social security contributions and other personnel costs were € 16.6 million lower in comparison to 2013. By contrast, the cost of temporary agency personnel rose by € 0.7 million to € 13.2 million. Other personnel costs rose by € 3.0 million. However, this is largely the result of a one-time release in employee benefits due to the harmonisation of the anniversary schemes in 2013.

Added Value per Employee (excluding restructuring costs)

	Added value (x € 1 million)	Average number of fte	Average added value per employee (x € 1.000)
2010[1]	315.7	2,806	113
2011[1]	298.0	2,822	106
2012	281.6	2,716	104
2013	278.6	2,585	108
2014	**243.5**	**2,341**	**104**

1 Including discontinued operations.

The number of FTEs declined from 2,459 at year-end 2013 to 2,259 at year-end 2014. The decline in the number of FTEs is evident throughout the Company, but in particular was attributable to reduced management, termination of the Keesing France printing plant and the sale of the activities of Zoom.in Nederland B.V. and Ticketsplus B.V.

The average added value per employee, excluding restructuring costs, declined from € 108,000 in 2013 to € 104,000 in 2014.

Other operating expenses rose by € 1.7 million, primarily due to higher sales costs in the amount of € 5.2 million due to De Telegraaf's new brand campaign, the FIFA World Cup activities, the launch of the tabloid and the higher sales cost incurred by Radio Veronica. The costs of transport and distribution decreased by a further € 3.0 million, partly due to further cost savings and the termination of the free daily newspaper Sp!ts. The costs of e-commerce activities dropped by € 3.5 million due to the termination of De Telegraaf webshop prompted by the full acquisition of GroupDeal. Furthermore, De Telegraaf's iPad mini promotion was initiated in the fourth quarter of 2013. In 2014, automation costs rose by € 2.0 million, in part due to a settlement with ATOS concerning the partial termination of the service contract.

Depreciation charges in 2014, in the amount of € 10.7 million, are virtually the same as in 2013. In 2014, the conversion of the printing presses at the Amsterdam Campus was completed and the presses were commissioned. Currently there is continued investment in folding and stapling machines so that these can be put into use in the Amsterdam printing plants over the course of 2015. As soon as the presses in Amsterdam are commissioned, the depreciation charges will show a limited increase. It was decided to reduce printing capacity in the second half of 2015. At year-end 2014, an impairment of € 5.3 million was recognised for this purpose.

Amortisation charges totalled € 17.8 million in 2014 (2013: € 18.1 million). The amortisation charges are decreasing due to the wind-down of the amortisation periods and impairments. At year-end 2014, an impairment of € 40.9 million was recognised for Sky Radio Group. Due to the restyling of the Radio Veronica station and increased competition, the projected future cash flows are structurally lower.

In 2013, it was decided to discontinue the non-print-related online activities segment. The result from **discontinued operations** in 2013 concerns the sale of Mobillion and the activities of Keesing Games, among other things. In addition, the operations of Nobiles, Moviebites and Hyves social network were terminated. The Relatieplanet dating site was being held for sale in 2013 and 2014. The result, including the write-offs of intangible assets, was virtually nil (2013: € 42.7 million). Total impairments, including property, plant and equipment, of discontinued activities amounted to € 31.8 million in 2013 (2014: nil).

In 2014 the **financial income and expenses** amounted to negative € 7.2 million (2013: positive € 225.9 million). In 2014 Landelijke Media sold its Zoom.in Nederland B.V. and Ticketsplus B.V. activities. The transaction produced a negative result on the sale of the participating interest in the amount of € 4.9 million. Last year TMG's sale of the 6% interest in the ProSiebenSat.1 Media AG (ProSiebenSat.1) associate was recognised here. The interest is recognised in accordance with the equity method. A € 12.2 million share in the result of ProSiebenSat.1 up to 19 August 2013, was recognised in 2013.

During the General Meeting of Shareholders of ProSiebenSat.1 in July 2013, a dividend of € 5.63 (2012: € 1.15) per share was adopted for the shares with voting rights for 2012. This translated into a dividend amounting to a total of € 66.7 million for TMG (excluding the refund of income tax deducted at source), which was deducted from the value of TMG's interest in ProSiebenSat.1.

TMG sold the listed shares on 6 September 2013 at € 30.00 per share. A total of € 390.6 million was received after the deduction of transaction costs. The realised result on the sale since 19 August 2013 amounts to € 218.3 million on the equity interest valued at fair value.

The other financial charges are primarily related to the interest payable on the FM licensing fees paid for the Sky Radio Group. The credit facility was not drawn down as at 31 December 2014.

The **tax** item in 2014 showed a debit balance of € 0.5 million (2013: € 5.0 million credit balance). The effective tax burden was 1.3% in 2014 (2013: -6.8%). The impairment of the Sky Radio Group in 2014 is not tax-deductible.

Cash Flow

The **net cash flow from operating activities** rose by € 39.6 million to positive € 24.1 million. The increase is due to the € 23.3-million less in restructuring costs paid and the € 16.3-million increase in working capital due to improved cash planning.

The **cash flow from investments** in 2014 amounted to negative € 10.6 million (2013: positive € 438.6 million). The investments in intangible assets primarily concern software for business applications and IT infrastructure. The investments in property, plant and equipment are related to the conversion of the printing press in the Amsterdam printing plant and folding machines. The sale of business operations and the disinvestments are the result of the sale of Zoom.in Nederland B.V. and Ticketsplus B.V. The dividend distributed by ProSiebenSat.1 over the 2012 reporting year was received in August 2013. Including the refund of the tax deducted at source for 2011 and 2012, the amount received totalled € 70.7 million. The proceeds of the sale of the shares in ProSiebenSat.1 in September 2013 amounted to € 390.6 million. This was offset by investments in the conversion of the printing presses in Amsterdam, changes to the facilities of the Sky Radio Group and the acquisition of new software by Lokale en Regionale Media and by Landelijke Media. The phased conversion of the printing presses and colour units in Alkmaar was completed in 2013.

The **cash flow from financing activities** was negative € 13.1 million (2013: negative € 390.2 million). The repayment of the long-term liability largely concerns the annual FM licence payments to the Telecom Agency on behalf of the Sky Radio Group. The change in third party interest is due to the acquisition of the remaining 40% of the shares in GroupDeal. Last year, TMG distributed an interim dividend in the total amount of € 301.3 million from the monies received from ProSiebenSat.1. The entire credit facility (including the long-term loan) was fully repaid in 2013.

Shareholders' equity

At year-end 2014, shareholders' equity attributable to the shareholders of TMG has declined by € 40.1 million to € 258.7 million in comparison to the previous year. The net result attributable to the shareholders of TMG for 2014 amounts to negative € 33.8 million (2013: positive € 177.6 million). In 2013, TMG distributed an interim dividend of € 301.3 million. In 2014, TMG did not distribute a final dividend for the 2013 reporting year. The shareholders' equity per share outstanding at year-end 2014 was € 5.58 compared to € 6.45 at 31 December 2013.

Shares

As at 31 December 2014, there are 46,350,000 ordinary shares and 960 priority shares of € 0.25 nominal value. Of the ordinary shares, 29,107,774 had been converted into depositary receipts as at 31 December 2014, amounting to 62.8% (year-end 2013: 62.5%). No shares were repurchased in 2013 and 2014. The € 1.4 million in shares of the Telegraaf Media Group purchased in previous years have been withdrawn in accordance with the resolution adopted by the General Meeting of Shareholders of 23 April 2013.

Dividend

No profits wre generated in the financial year 2014, consequently there will be no profit at the disposal of the General Meeting of Shareholders relating to the financial year 2014.

Two dividends were distributed during the 2013 reporting year. In August 2013 a dividend of € 0.50 per share was distributed pursuant to a super dividend from ProSiebenSat.1. In September 2013, TMG sold the shares in ProSiebenSat.1. A € 6.00 dividend per TMG share was subsequently distributed in October 2013. In total, a dividend of € 301.3 million was distributed in 2013 representing € 6.50 per TMG share.

Outlook

On 16 December 2014, TMG presented the direction for the coming years. The Company's focus, more clearly than ever before, will be on its key brands, the development of distinctive editorial content and consequently on reinforcing the core business. The key brands are De Telegraaf, DFT, Telesport, Metro, Autovisie, Privé, VROUW, the regional dailies – such as Noordhollands Dagblad en Haarlems Dagblad – Radio Veronica, Classic FM and Sky Radio. Digital initiatives that do not form part of the key brands and the printing plants will not form part of the core business. For each business unit that does not form part of the core activities, a future scenario will be developed whereby partnering with other parties is among the possibilities.

The development of the scenarios in some cases may result in the disposal or termination of activities. This is why the 2015 financial year is qualified as a year of transition. Adjustments to the organisation will lead to a downsized, more flexible and stronger core business. In December 2014, it was announced that from the beginning of 2015, steps to adjust the organisation that are expected to result in sustainable returns on all business activities may be expected to be announced on a regular basis.

the mission of

EVERT SANTEGOEDS

Evert Santegoeds lives for stories that keep the Dutch population talking. "With the largest newspaper, the largest weekly magazine and the greatest number of hits on the site, TMG is the perfect platform for 24/7 entertainment news." ▸▸▸

‘IT'S A QUESTION OF NOBLESSE OBLIGE AT PRIVÉ’

Name: Evert Santegoeds
Age: 53
Position: Editor in Chief
Brand: Privé

“Privé founder Henk van der Meijden was way ahead of his time. In the late 1950s and the infamous 1960s, he was the first and for many years the only person to concentrate on what was then referred to as 'human interest'. More than 50 years on, gossip is hotter than ever before.
Switch on a TV in America, and besides the weather and plenty of sports, you'll be bombarded with news about celebrities from the early morning to late evening. Entertainment news is also starting to take over the Dutch media landscape. It dominates four gossip magazines, three daily TV shows and even newspapers that used to ignore it in years gone by.

> “Benefiting even more from the strength of gossip news, as the number one”

Privé is number one in entertainment. Every day in De Telegraaf, every week in the magazine, and all day long on Prive.nl, it reveals the ups and downs of TV and film stars, sports personalities and international royalty. And I'm sure the latter category would agree: noblesse oblige. It's my mission for Privé to be the largest and stay the largest.

That doesn't just happen all by itself. It takes the biggest network, the best sources, the greatest and most exclusive photos and, first and foremost, a team of reporters out there where the news is happening, day and night. The exclusive stories don't just turn up. And the revelations that often keep the Netherlands talking for days or weeks after being published in Privé are – luckily! – few and far between.

Eating and drinking news

My great mentor Van der Meijden kindled my passion for this strange profession at an early age. I eat and drink entertainment news and I can be reached 24/7, because 'you never know who might call.' As Van der Meijden always said, 'Luck is with the hard workers.' So it's always very satisfying to discover a story that will keep people talking or to come up with an angle for the magazine that nobody else has thought of.
With the largest newspaper, the largest weekly magazine and the greatest number of hits on the site, TMG is the perfect platform, of course. Combining the newspaper and magazine (again) was a logical progression, a first step that will be followed by a second. After all, why shouldn't we sell these two fantastic media together? I think this offers opportunities that need to be looked at more carefully. We also need to look carefully at successful initiatives with paywalls, though these have yet to reach the Netherlands.

Gossip is more attractive than ever before. As the number one in entertainment, we should be able to make more out of it. If I have anything to do with it, 2015 will be the beginning of that."

TMG LANDELIJKE MEDIA

Activities and Organisation

TMG Landelijke Media's key brands comprise De Telegraaf, Privé, VROUW, Autovisie, DFT, Telesport and Metro. The other brands that are not linked to the key brands will be re-evaluated in order to develop a future scenario for each component.

The number of TMG Landelijke Media's employees (FTE) declined from 885 at year-end 2013 to 785 at year-end 2014.

Harry de Wit was appointed Managing Director of TMG Landelijke Media effective 1 November 2014. Prior to this he occupied various management board positions at TMG from 2002 to 2012.

Revenues

TMG Landelijke Media's revenues declined from € 293,7 million to € 272,0 million (-7.4%), primarily due to a decrease in the net advertising revenues and a decrease in the De Telegraaf's circulation. Cost savings amounted to € 11.2 million, in spite of investments in De Telegraaf brand, innovation costs and project costs associated with the transition to the tabloid format. TMG Landelijke Media's collective EBITDA contribution nevertheless declined considerably.

TMG Landelijke Media Revenues

x € 1 million	**2014**	2013	
Subscription revenues	**123.8**	126.1	(-1.8%)
Single copy sales	**27.9**	30.7	(-9.1%)
Advertising revenues - Print	**62.3**	77.2	(-19.3%)
Digital and other revenues	**50.0**	59.7	(-1.8%)
Total	**272.0**	293.7	(-7.4%)

Subscription revenues decreased from € 126.1 million to € 123.8 million (-1.8%). The price increases were unable to fully offset the decline in circulation. Advertising revenues from print declined by -19.3% and digital advertising increased by +6.1%. In the online advertising market, advertising growth was primarily due to video, mobile and tablets.

De Telegraaf

Revenues from subscriptions and single copy sales

Total subscription revenues declined, whereby the price increase and the increased revenues from digital subscriptions largely offset the decline in print subscriptions. In July, De Telegraaf increased subscription rates by an average of 3.7%. The revenues from single copy sales declined by € 2.8 million (-9.1%). Just as in 2013, all national daily newspapers experienced a decline in single copy sales in the Netherlands and abroad. De Telegraaf was impacted to an even greater extent due to its traditionally strong position in this market.

Advertising Revenues

The advertising revenues of the paper edition of De Telegraaf declined steeply during 2014. The evaluation of the policy pursued resulted in a change in management and the design of new rate structures.

These changes will be implemented in 2015. Telegraaf.nl's digital advertising revenues rose by 10.9% to € 17.0 million

Consumer Reach and Market Share
De Telegraaf aims to retain and grow permanent customer relationships with its readers. It is up to the customer to decide how he/she prefers to receive his/her news. The decline in the total number of permanent customers with a print, combi or digital subscription decreased in 2014 in comparison to 2013.

Growth in Online Reach
The number of customers with a fully digital subscription rose by 71.4%. These customers only have access to the news via Telegraaf.nl and De Telegraaf app. The number of customers with a combi subscription (print and digital) rose by 44%. The number of premium subscriptions rose to over 400,000. Part of the articles on the website or accessible via the app is exclusively available to combi and digital subscribers or at a daily fee, including the Sunday newspaper. The latter was very successful and since its introduction in April 2014 achieved approximately 100,000 downloads per week.

The number of unique visitors to the website and the mobile platforms rose slightly and the number of page views rose by 22%. The number of desktop visits declined; however, the increase in mobile was so steep that its share now exceeds that of the desktop.

The video offer rose steeply and the number of video views rose by 20% to over 236 million, especially on mobile. July was a record month with over 29 million video views, particularly due to the FIFA World Cup and the MH17 air disaster. The videos about the Olympic Winter Games were also viewed frequently.

The shift in providing news in paper format to digital format continues. In 2014 (fourth quarter 2013 to third quarter 2014 inclusive) the circulation of paid and free national daily newspapers declined from 3.7 million to 3.5 million copies per day (-5.4%). During this period the circulation of De Telegraaf declined from 544,355 to an average of 513,308 copies (-5.7%), as a result of which De Telegraaf's share of this market declined marginally to 17.8%. The impact of the transition to tabloid format effected on 10 October 2014 is not yet reflected in these figures. During the introduction approximately 62,500 so-called Tabloid Subscriptions were sold at a promotional price of € 20 for 10 weeks.

The major sports events, the Olympic Winter Games and the FIFA World Cup, had a positive effect on circulation in terms of single copy sales as well as subscriptions.

Consumer Market, Commerce and Editorial Board
In 2014, De Telegraaf's organisation consisted of three main components:

- Consumer Market, responsible for the continued development of brands and products, increasing reach and jointly establishing the marketing strategy;
- Commerce, responsible for the central advertising sales for national products;
- Editorial Board, responsible, at the national level, for the journalistic content of the various media platforms for the brands De Telegraaf, Privé, VROUW, Autovisie, DFT, and Telesport.

Consumer Market
Key initiatives designed to strengthen De Telegraaf and other brands were as follows:

- More focused positioning as a platform-independent 24/7 news brand via digital, video, mobile and newspaper;
- De Telegraaf's migration from broadsheet to tabloid format, paired with an elaborate marketing campaign and editorial content renewal;

- The development of new digital products, such as the digital Sunday newspaper, the DFT Avond and readers linked to major events such as the FIFA World Cup;
- Strong growth in video and TV, with various new formulas, such as DFT Debate and RTL Autovisie;
- Introduction of a new content management system designed to bring content easier and more quickly online.

From April 2014 De Telegraaf carried out the extended marketing campaign *The News in Our Country*, designed to focus attention on a series of renewals and to reinforce its market leadership, via radio and TV commercials, its own channels and social media. The launch of the tabloid resulted in approximately 62,500 paid trial subscriptions. Furthermore, as a result of redirections, the reach of Telegraaf.nl rose by over 20% after this launch. In addition, the number of video views rose significantly.

Commerce

In 2014, the Commerce department centrally organised the sale of advertising for national brands on the basis of multi-media and cross-media offerings. The market approach is optimised by segment, whereby print and digital are integrated. The costs incurred by Commerce were substantially lowered in 2014, in part on the basis of self-service and programmatic buying, which experienced significant growth. This capability allows customers to bid on a specific advertisement in real-time.

Editorial Board

The Editorial Board's organisation was simplified, whereby the number of Editorial Subcommittees was reduced, and News Directors, a new position, were appointed. They play a coordinating role in determining the brand and media platforms used for the publication of incoming news. In this respect, the development of distinctive content for online media, especially mobile and video, is crucial to the future of TMG and De Telegraaf.

Journalistically speaking, 2014 was a hectic year with full attention on the attack on Flight MH17, the FIFA World Cup in Brazil, the Olympic Games in Sochi, the major international tensions in the Ukraine and the emergence of IS in North Iraq and Syria. De Telegraaf reporters filed on-site reports of events via online, mobile, video and in the newspaper.

Sustainability and care for the environment are key social themes to which De Telegraaf regularly devotes attention. In 2014, articles were published on a range of topics such as a private initiative to retrieve plastic from Amsterdam's canals (Plastic Whale, 10 January), investments in windmills (Private Investment in Windmills Falters, 28 October), waste recommendations for water enthusiasts (Waste Onboard or Overboard, 22 November) and sustainable investment (Bonds can be Green too, 22 October and Wealthy Private Investors Engage more frequently in Sustainable Investments, 22 December). In addition, the regular columnist Ruud Koornstra dozens of times put the spotlight on sustainability-related topics.

Metro

There was a drop in advertising revenues from free daily newspapers. The paper publication of Sp!ts was terminated in October, whereby Metro enlarged its coverage area somewhat and increased its average circulation in the last quarter of 2014. Furthermore, Metro was expanded with the most highly appreciated Sp!ts components. The renewed Metro that first appeared on 10 October this way appeals to a broader target group.

Spitsnieuws.nl will continue to exist alongside Metronieuws.nl. The visitor figures for both websites grew significantly. The visitor figures and the number of page views rose considerably for Metronieuws.nl as well as for Spitsnieuws.nl, particularly on mobile.

	Average Number of Visitors per Month 2014 (Desktop)	Average Number of Visitors per Month 2013 (Desktop)		Average Number of Visitors per Month 2014 (Mobile)	Average Number of Visitors per Month 2013 (Mobile)	
Metronieuws.nl	**1,047,728**	505,897	+107%	**1,225,445**	156,290	+684%
Spitsnieuws.nl	**870,130**	559,798	+55%	**1,131,978**	239,154	+373%

Metro signed a long-term agreement with the Feyenoord football club, as media partner. Joint reader promotions and events will be organised, including a fan day in Feyenoord Stadium. Metro wants to further strengthen its brand in the Rotterdam region with additional unique content.

As a free daily newspaper Metro has a high reach among younger people between the ages of 18 and 35 on their way to work or school. Companies and agencies therefore often select Metro and Metronieuws.nl to disseminate their message. For example, Shell and Metro collaborated on the production of a special about the Shell Ecomarathon. And for Eneco, Metro on two occasions prepared a four-page special; one on Wind Certificates and one on the Dutch Headwind Cycling Championship, in order to underline the importance of wind energy. The Editorial Board itself prepared a major publication of the Top 100 Sustainable Young Entrepreneurs.

At the end of 2014, TMG was in discussion with the Dutch National Railways (NS) about the possibility of creating spots in train compartments where travellers can leave an already read Metro for other travellers to read. The objective is to prevent newspapers from disappearing in wastepaper baskets and to promote recycling.

Magazines

The Dutch advertising market for general interest magazines once again experienced a difficult year. Advertising revenues from TMG magazines VROUW, Privé and Autovisie declined. Privé and VROUW transferred to another printer during the year due to the bankruptcy of the existing printer. This did not result in material additional costs.

VROUW

In addition to the special pages in De Telegraaf, the weekly magazine VROUW, the bi-monthly VROUW Glossy and Vrouw.nl are also published under the VROUW brand. Due to De Telegraaf's decline in circulation, from 1,363,000 to 1,264,000 readers per week (-7%), the reach of VROUW Magazine fell (source: NOM 2014/2013). The decline is in line with the national decline in other women's weekly magazines. In terms of reach, VROUW is number three in the weekly women's magazines segment.

The volume of advertisements in VROUW declined by 8% (source: NMR), in comparison to a national increase of 10% in the number of advertising pages in weekly women's magazines (third quarter 2013 to third quarter 2014, inclusive). The decline was related to various factors, including internal reorganisations and the sales strategy.

In 2014, VROUW Glossy was expanded from four to six editions. The number of subscribers rose, primarily due to the number of combined subscriptions with De Telegraaf. VROUW Glossy was included in NOM reach analyses for the first time. With a reach of 286,000 (NOM 2014/2013) VROUW Glossy was number three in the Netherlands in the glossy monthly women's magazines segment.

The number of unique visitors to VROUW.nl rose by 40% and the number of page views by 61% to over 218 million. Mobile use of VROUW in particular grew significantly, by more than 100%, making mobile use of VROUW more popular than desktop use.

Events
Various events, designed to bring (mostly) female readers into contact with each other, with VROUW and any advertisers, are organised under the VROUW brand. This provides us with even better insight into the needs and motivations of our readers with the objective of increasing our connection with them. In 2014, approximately 2,300 women met each other during the VROUW women's weekend. In addition to performances by well-known Dutch artists, there were workshops for making jewellery, wine tasting and personal training, among other things. Furthermore, VROUW Café was initiated as a paid monthly event with a wide range of topics, from finding inner happiness to practical makeup workshops.

Privé
The average Privé circulation in 2014 declined by 9.6% in comparison to a decline of 5.4% in the total distribution of gossip magazines in the Netherlands in 2014 (third quarter 2013 to third quarter 2014, inclusive; source: HOI). The reach of Privé via print declined in line with the market average (7%) to an average of 1,264,000 readers per issue.

Prive.nl is accessible at no charge. The number of page views rose significantly, particularly in the second half of 2014. Mobile grew especially fast and at 68% (December 2014, in-house figures) amply exceeds the share of access via desktops.

Autovisie
A magazine, the website and the pages in De Telegraaf are exploited under the Autovisie brand. The average Autovisie circulation in 2014 rose by 4.1% in comparison to a decline of 5.1% in the total distribution of Dutch automotive magazines in the Netherlands in 2014 (third quarter 2013 to third quarter 2014 inclusive; source: HOI).

To retain and increase loyalty to the brand, various events were organised, including the Nationale Auto8Daagse (National 8-Day Automotive Media Event) that attracted tens of thousands of visitors to a large number of different events. The kick-off took place on 14 June during an Autovisie Cars & Coffee XXL on De Telegraaf's premises with over one thousand readers and invitees and over 300 special cars. Other events included the national old-timers day in Lelystad, a car racing evening on the track in Zandvoort, a visit by readers to the Ford factory in Cologne and a Concours d'Élégance with various old-timers' themes in the gardens of Het Loo Palace.

In addition, the RTL Autovisie TV programme was launched. This is an independent programme about cars and everything to do with cars. RTL Autovisie contributes to reinforcing the Autovisie brand.

Other National Brands and Activities
News and Entertainment
With its own production houses for audiovisual productions, TMG is a strategic partner for the development of concepts and productions in the areas of television, internet, video, audiovisual advertising & commercials and company presentations. Videos increasingly more often form an integral part of the media used by De Telegraaf in order to strengthen brand perception and increase reach. In 2014, many productions were continued for various broadcasting organisations, as well as branded content productions for third parties. KampeerTV (CampingTV) was developed in collaboration with TMG company Bohil Media. The first instalments were broadcast at the beginning of 2015. RTL Autovisie was produced in collaboration with Autovisie. TMG sold its interest in the online video producer and sales firm Zoom.in Nederland B.V.

The NewsMedia websites are focused on the so-called Millennials, young people born between 1980 and 2000. In their own words, 'news facts, scandalous revelations and journalistic investigations appear interchangeably with airy topics and slightly eccentric nonsense' on GeenStijl. Dumpert refers to itself as the 'coolest video portal in the Netherlands with all kinds of bizarre, funny, scandalous and daft videos on the internet'. Visitors can 'dump' their own videos there. GeenStijl's and Dumpert's visitor figures rose significantly, particularly in the second half of 2014, primarily due to the use of social media and the growth of mobile websites. Dumpert grew by more than 100% in the second half of the year in comparison to the second half of 2013. Upcoming gathers the most popular images, videos and tweets and other internet trends and creates its own lists. Assisted by other NewsMedia titles, Upcoming grew significantly to more than 2.5 million unique visitors in December 2014. A joint offer was created for the advertising market in the second half of the year on the basis of the GeenStijl, Dumpert, Glamorama, Das Kapital, Spitsnieuws.nl and Upcoming brands. The initial results of this new positioning in the advertising market were positive.

The number of active Hyves Games users on average was approximately 500,000 per month, putting Hyves Games among the top gaming portals in the Netherlands. The popular Landleven game made the largest contribution to the in-game revenues.

E-commerce and demand and supply ads by private individuals

GroupDeal is a promotion-based e-commerce platform that offers products and services of advertisers and brands at attractive prices. Revenue grew by 22%. Activities carried out under the Telegraaf Aanbiedingen (Offers) brand also contributed to this. These offers promote loyalty to De Telegraaf brand. TMG increased its interest in GroupDeal B.V. from 60% to 100%.

The results and the revenues from other e-commerce activities was under severe pressure due to the bankruptcy of a logistics service provider. These activities were therefore integrated into GroupDeal over the course of 2014. This has considerably reduced costs and risks. Sales now exclusively take place on the basis of direct delivery to the end-user by the producer or supplier, whereby GroupDeal does not run any risk in case of poorly performing products. TMG sold its interest in Ticketsplus B.V.

Speurders.nl's revenues rose by 2.8%, primarily due to the new activities Speurders Veilingen (Auctions) and Speurders Aanbiedingen (Offers).

Bohil Media brings sellers and buyers in the camping and boating market together via print, websites, Customer Relationship Management systems, TV productions and events. Bohil Media is market leader in this segment. Revenues rose marginally in spite of the recurring difficult market conditions in the water sport and camping sectors. The new initiative Water Sport Week and the production VaarTV (BoatingTV) made an important contribution to revenues.

GasPedaal.nl*'s* advertising revenues rose by 26%. The possibility of advertising on the basis of CPC (Cost per Click) as of the end of 2013 made an important contribution to this. Due to the spidering – adding information of linked web pages to a search engine's database – prohibitions received by GasPedaal it was forced to disconnect from various sources. GasPedaal.nl has since reconnected the first of these sources on request. The number of visitors stayed up to par. The activities of AutoTeKoop.nl (cars for sale) were integrated into GasPedaal.nl.

The collective revenues of JAAP.NL and HuizenZoeker.nl rose by 3%, consisting of revenues from the possibility of 'Selling your home yourself' as well as advertising revenues. The improving housing and mortgage market is also generating additional revenue from mortgage leads.

2015 Trends

At the end of 2014, TMG announced a refined strategic direction to enable it to better anticipate market conditions in which revenue from print continues to drop and revenue from digital activities is still insufficient to offset this.

Key TMG Landelijke Media activities in 2015 are as follows:

- Product development on the basis of key brands, primarily focused on mobile phones and tablets;
- Reinforcement of the bond with existing customers, focused on retaining the relationship (with readers, as well as advertisers);
- More intensive collaboration within TMG to improve revenues and control costs;
- Investment in employee development.

the mission of

JAMES WORTHY

According to James Worthy, the best things in life are free. His beloved Metro included. "If I have anything to do with it, Metro is here to stay. I want to give readers the very best every week." ▸▸▸

'TMG IS SAUERKRAUT WITH SAUSAGE'

Name: James Worthy
Age: 34
Position: columnist
Brand: Metro

"TMG is sauerkraut with sausage. It's not elite - simply a human company. That's the strength of TMG. My relationship with the company goes much further than money alone. It's all about trust and loyalty. Right from the beginning, TMG gave me carte blanche. I can do what I want, so I give my all. Readers are entitled to your best work, week in, week out. It's my mission to deliver that quality. Many people tend to be condescending towards Metro, because it's 'that free newspaper'. But the best things in life are free: love, a sunset, snow, a lazily yawning cat.

"Readers are entitled to your best work"

When TMG offered me this opportunity and I began writing my weekly column, I had no idea at all what I was doing. Four years on, I can only conclude that SPITS and Metro have made me better than I could ever have dreamed. Writing a column seems so simple, but it really is an art. Books can have 60,000 words, a column only 400. There's nowhere to hide. Sentences must make sense. It's a fantastic challenge.

Passions make you weak

The fact that I work on my column every week from 12 a.m. to 5 p.m. says enough I reckon. I could do it in an hour, but I'm not one for quickies - not any more. I just love the whole writing process too much by now: the deleting, the head scratching, the uncertainty and then the feeling once you've mailed the column to the editing staff. 'WHAT HAVE I DONE?' 'AND IS IT GOOD ENOUGH?' That's what passions do to you. Passions make you weak.

I have two passions: writing and my family. If I'm not with my family, I'm writing and if I'm not writing, I'm with my family. Do the two worlds meet? Well, if I hadn't started writing, I would probably not have a family. My wife fell in love with what I wrote, after all. She's also the first to read my Metro column each week. It's all interconnected. Life is one big metro network.
Growth, fear and loyalty are what drives me. I want to get better each week; not only for myself, but also for the newspaper. These are difficult days for newspapers and magazines. Half of the 50 publications for which I have written over the past 15 years, no longer exist. That is scary. We've already lost SPITS, but Metro is here to stay, if it's up to me. I plan to write for 'that free newspaper' until my dying day."

HOLLAND MEDIA COMBINATIE

Activities and Organisation

Holland Media Combinatie comprises the regional dailies, free local papers (distributed door-to-door), specials, theme pages, magazines, websites, apps, trade fairs, activities for third parties and events, and Dichtbij's local websites. In 2014, the back-offices of Holland Combinatie and HDC Media were fully integrated. The two companies legally merged into a single company operating under the name Holland Media Combinatie. The integration primarily improves joint advertising sales and provides for a more clearly laid-out overall offer of products. Dichtbij's activities fell outside the integration and merger.

The number of Holland Media Combinatie's employees (FTE) declined from 699 at year-end 2013 to 631 at year-end 2014. The management of Holland Media Combinatie was transferred to Gert Jan Oelderik and Ferdy Demmers effective 1 November 2014. Prior to this, Oelderik was Managing Director of Keesing Media Group and General Manager of NRC Media and NDC Media Group, among other things. Ferdy Demmers previously was Managing Director of TMG's Facilitating Services.

Revenues

Holland Media Combinatie's revenues declined from € 121.0 million to € 113.8 million (-6.0%), primarily due to a decrease in the circulation of regional dailies and a clear decrease in the advertising revenues from free local papers (distributed door-to-door). The collective EBITDA contribution of the regional and local media increased significantly due to the considerable cost savings and provisions reported in 2013.

Holland Media Combinatie Revenues

x € 1 million	**2014**	2013	
Subscription revenues	**55.1**	57.0	-3.3%
Single copy sales - Print	**2.1**	2.1	0%
Advertising revenues - Print	**44.5**	49.6	-10.3%
Digital and other revenues	**12.1**	12.3	-1.6%
Total	**113.8**	121.0	-6.01%

Subscription revenues decreased by € 1.9 million (-3.3%) due to the fact that price increases did not fully offset the decline in circulation. Advertising revenues from print declined by € 5.1 million (-10.3%). Digital and other revenues declined by € 0.2 million (-1.63%) due to a slowdown in the revenues of Dichtbij.

Regional daily newspapers

The collective revenues of the Noordhollands Dagblad, Haarlems Dagblad, IJmuider Courant, Leidsch Dagblad and De Gooi- en Eemlander declined slightly. It was not possible to fully offset the 7.2% decrease in the number of paid subscriptions by the increase in subscription rates and promotional subscriptions. The entire circulation declined by 7.8%. This is equal to the decline in the regional dailies market in the Netherlands.

Holland Media Combinatie's advertising revenues declined. The revenues of GerichtopPrint.nl rose significantly. Advertisers can use this website to easily create and modify their own advertisements. This tool makes it easier to place and modify advertisements. Advertising revenues from digital media were still modest and primarily originated from national advertisers.

The EBITDA contribution of regional dailies increased significantly due to the impact of cost savings. These savings primarily were the result of the reorganisation initiated back in 2013. Furthermore, there were additional savings, especially due to a reduction in the number of employees and lower paper costs, and due to savings in terms of ink and printing plates. Holland Media Combinatie is making use of TMG Distributie for its physical distribution. This company collaborates with Wegener, NDC mediagroep and De Persgroep. In 2014, the company profited from the distribution partnership initiated in the West Netherlands in 2013. In addition, there were cost savings due to lower circulation numbers.

Digital Innovation

In 2014, Holland Media Combinatie introduced new subscription propositions that involve the offer of a mix of print and digital with premium content. Holland Media Combinatie significantly expanded the number of digital customer contacts. The introduction of new apps and new e-mail marketing resulted in over 70,000 registrations of subscribers who make active use of digital products. The number of subscribers that primarily opts for digital remains limited, but steadily increased throughout the year. With this subscription the customer receives the printed newspaper on Saturdays and the digital version on other days. In 2014, in addition to the digital look-alike of the paper version of the newspaper, a digital version for tablets was added with additional options. Exclusive digital newspapers were launched on two occasions; during the FIFA World Cup and on King’s Day. In addition, Holland Media Combinatie introduced live blogs by reporters.

Regional and Social Commitment

The anchoring of the regional papers in local communities becomes even more evident during special events, such as last year during the local elections of 19 March and the subsequent negotiations to form a new municipal executive, and in the impact of the drama of Flight MH17 on surviving dependants in the region. Reporting of socially undesirable or debatable development encourages action or creates awareness, such as the interventions in the Bazaar in Beverwijk in September after regional newspapers published photos of jihad flags sold on the market. The papers illustrated their involvement in everyday issues, for example by publishing two special supplements about developments in the healthcare sector and the series Old and at Home, specifically about care of the elderly. In the field of museology, the Leidsch Dagblad, together with other titles, assisted the Museum Naturalis in bringing a unique Tyrannosaurus Rex skeleton to the Netherlands. The newspaper devoted attention to the ‘night watch of natural history’ via a series of weekly pages and a special supplement.

Holland Media Combinatie’s papers also support charitable causes. The IJmuider Courant and Het Noordhollands Dagblad invited their readers to donate a Christmas hamper to the newspaper in support of regional food banks. Het Haarlems Dagblad devoted a special supplement and a daily cover to the collection promotion Serious Request, which took place in Haarlem in 2014. These journalistic efforts were also used for other Holland Media Combinatie publications and websites. The newspaper donated an amount of € 10,000 collected via a subscription promotion with a reader’s donation and via an auction. In the double sized last annual issue of the weekend magazine Vrij (Free), entitled Best Wishes, the key focus was on the large and small wishes of readers. The editorial board made a selection and made an effort to make these wishes come true via their own contacts and by appealing to readers. The first moving successes were described in that same issue.

Focus on Sustainable Enterprise

Holland Media Combinatie is a media partner in the relationship network Duurzaam Ondernemen (Sustainable Enterprise) in North-West Holland (DOinNWH). This network for the second time organised the Let’s DO-Award, in which DO stands for Duurzaam Ondernemen (Sustainable Enterprise). This is an award for SME entrepreneurs who are successful with sustainable innovations for their own company, as well as in terms of the impact of these innovations on people and the environment. Holland Media Combinatie in its papers reports on the nominated companies and the voting. The readers are actively involved in this.

Free local papers (distributed door-to-door)

The interest of advertisers in free local papers (distributed door-to-door) clearly declined, especially among national advertisers. The increase in this loss was limited by achieving important cost savings in production, decreasing the number of employees and the new advertising sales strategy. This new sales strategy enables advertisers to select an optimal media mix on the basis of the total TMG offer of free local papers (distributed door-to-door), daily newspapers and online. The EBITDA contribution of free local papers (distributed door to door) declined significantly due to a decrease in advertising revenues.

Dichtbij

Dichtbij.nl is the local online platform of Telegraaf Media Groep that assists people in achieving their local objectives and communicating about local topics that they consider relevant. Dichtbij.nl, in addition to local news, also offers going out tips and information about events, restaurants, job openings and available homes. The messages most often read are those in the 112 column. Dichtbij's strength is its local contribution of news and stories from so-called Dichtbij (Nearby) Contributors, communities and entrepreneurs. The core regions are located in the provinces of Noord-Holland, Zuid-Holland, Utrecht, Flevoland and Brabant.

The number of monthly visits to Dichtbij.nl rose at year-end 2013, in part due to the increase in the number of municipalities. Dichtbij's EBITDA contribution improved to slightly positive, in spite of a clear decrease in revenues.

2015 Trends

On 6 February 2015, TMG announced a planned reorganisation of Holland Media Combinatie that is to result in a sustainable improvement of its results. In the new organisation, Holland Media Combinatie's key brands Noordhollands Dagblad, Haarlems Dagblad, Leidsch Dagblad and De Gooi- en Eemlander will form the basis for four new clusters. These clusters will also include the weeklies in the relevant regions. Every cluster will have its own regional Editor-in-Chief, who, together with the Commercial Manager, will serve consumers and advertisers in the relevant region on the basis of all of the titles within their cluster. They are jointly responsible for the results of their cluster. In addition, a General Editor-in-Chief will be appointed to manage the central editorial department and to promote collaboration among titles.

A fifth new cluster consists of the weeklies in the Greater Amsterdam area, i.e. Amsterdam, Amstelveen and Almere. Holland Media Combinatie will conduct an analysis to determine whether the Rotterdam and Utrecht region, where publications are also limited to weeklies, have sufficient potential for creating a sixth cluster, or whether different strategic decisions need to be made here. The nine Sunday titles that are not making a sufficient contribution to Holland Media Combinatie's result will be divested. The reorganisation will result in a decrease of approximately 35 FTEs. A reorganisation involving approximately 80 FTEs was already underway on the balance sheet date.

Other planned initiatives include:

- Reinforcing customer relations, in part by making better use of digital contacts, accruing information about customer preferences and offering more products and greater variety;
- Greater synergy within TMG and a further cost reduction and increased efficiency within the organisation;
- Coordination by the regional editorial boards of the way in which content is published by brands (dailies and weeklies titles), when and via what distribution channel (print, online, mobile),
- An even stronger editorial focus in news from the region.

SKY RADIO GROUP

Activities and Organisation

Sky Radio Group (SRG) is one of the largest commercial radio enterprises in the Netherlands in terms of reach, as well as market share. SRG comprises the radio stations Sky Radio, Radio Veronica, Classic FM, ten online stations and MyRadio that enables the listener to build up a music mix on the basis of personal preferences via a smartphone, tablet or PC. SRG develops, realises and analyses practically all of its own activities, including new forms of distribution, marketing campaigns, websites and promotions. SRG manages to reach interesting target groups on the basis of its extensive radio portfolio. SRG wants to give advertisers effective and easy insight into relevant and recent listening figures, for example via its tablet app that it introduced in 2014. In the area of entertainment and promotion, the brands regularly collaborate with other TMG brands.

The number of SRG employees declined from 106 at year-end 2013 to 98 at year-end 2014. Since 1 October 2014 TMG CEO Geert-Jan van der Snoek has been acting as the temporary General Manager of SRG. Effective 1 November, Erik de Zwart, previously station voice and DJ at Veronica was appointed Radio Veronica's Station Director.

Revenues

The revenues of Sky Radio Group (SRG), virtually all derived from advertising, declined from € 40.2 million to € 39.0 million (-3.0%). Of this amount € 0.1 million was derived from the internet. The key reason for the decline is a decrease in advertising revenues from Radio Veronica due to the decreased listening market share. In addition, lower net prices associated with the Gross Rating Points (GRPs; units of reach) played a role due to the decreased listening density in the radio market. Costs declined by 8.2% due to a one-time release of a pension provision under the IAS 19. SRG's EBITDA contribution rose slightly.

Market developments and SRG's market position

The net radio advertising market rose from € 227 million to € 233 million (+2.8%; source: Radio Advies Bureau). The collective gross share of spending at SRG dropped from 23.4% to 21.4%. The total reach of the radio medium among the Dutch population aged 10 years and older dropped from 90.8% to 89.6%. The average weekly reach of SRG's collective radio stations in this target group dropped from an average of 35.0% to 33.3%. With an average market share of 16.8% (2013: 18.9%) over the full year, SRG is the second ranked commercial provider on the radio market in the commercially important target group of individuals aged 20-49 years.

Commercial radio stations have also been broadcasting over DAB+ since 2013. This was part of the agreement negotiated with the government when the FM licenses were extended. The DAB+ modulation was specially developed for reception in a mobile environment, such as trains, boats and cars. The number of DAB+ listeners is still limited, but the number of (mobile) listeners discovering the added value of a DAB+ receiver is steadily increasing. A DAB+ signal requires less bandwidth than FM, as a result of which there is more room for stations and broadcasting costs are low. SRG broadcasts the programmes of Sky Radio, a seasonal Sky Radio programme, Radio Veronica and Classic FM via DAB+.

Sky Radio

Sky Radio's advertising revenues remained stable. Sky Radio's market share in the commercially important target group of individuals aged 20-49 years rose from 10.0% to 10.3%, while the total reach declined somewhat from 24.5% to 23.5%. The reach is calculated as the 12-month average of the weekly reach in 2014. The weekly reach is the percentage of the total target group that listened at least 15 minutes in a week.

Sky Radio even more specifically focused its music formula and marketing on young listeners in 2014. The radio station's music composition was optimised for the 20-34 target group, while making an effort to keep the composition within the acceptable boundaries of the existing permanent listeners. The reach in the 20-34 years target group rose. Among women, the market share rose from 12.2% to 14.6% and among men from 6.3% to 6.9%. The Sky Radio Group's share of spending remained stable.

In addition, Sky Radio launched a number of new online stations, such as Sky Radio Hits, Sky Radio Lounge and Sky Radio 90's. The introductions of these online stations is consistent with SRG's strategy to provide additional specific formats on the basis of its brands. This increasingly makes Sky Radio a supplier of 'curated content' based on its principal brand. The content composed by professionals distinguishes itself from the online music platforms in which consumers must find their own way. The formats of the online stations are consistent with Sky Radio's basic format. The additional stations provide excellent additional sales opportunities over time, for example via Sky Radio Christmas, which had an online reach of 60,000 listeners on Christmas Day.

SRG's channels are at the centre of society and, together with their listeners, like to support charitable causes. Sky Radio for the sixth time organised the Christmas Tree for Charity event. A number of well-know Dutch couples competed for the most beautifully decorated Christmas tree in 2014. The goal: to raise money for their favourite charity.

Radio Veronica

Radio Veronica has gone through a difficult year. The rejuvenation course set in November 2013, did not have the desired effect. The market share of the target group of individuals aged 20-49 years declined from 8.4% to 6.1% and reach declined from 15.2% to 12.4%, while the share of spending dropped sharply. Advertising revenues declined by 26%, slightly less than the 28% decline in listening figures.

The decline in results and reach in part resulted in the recognition of a significant downward valuation of the intangible assets of the Sky Radio Group.

In November 2014 the Station Director was replaced and a new strategy was initiated. The focus now is on the trusted, familiar value of Radio Veronica, with hits from the 80s and 90s, hit parades and increased accessibility for women. DJ Jeroen van Inkel was recruited. Radio Veronica expects to be able to recover market share especially among the 35-49 years target group.

Radio Veronica, together with the Nationaal Fonds Kinderhulp (National Child Assistance Fund) and VriendenLoterij (Friends Lottery) collected money on the Veronica Ship to provide underprivileged children with presents during Sinterklaas. By voting for the Top 1000 Allertijden (All-time Top 1000) listeners donated € 1 for each child's wish list making it possible to make over 51,000 children happy with a present from Sinterklaas.

Classic FM

Classic FM focuses on the 50+ niche target group and relatively large numbers of highly educated individuals. A large part of this target group is 65 years of age or older. This demands the creative acquisition of advertising, for example together with partners, and clear profiling. This is why Classic FM will revert even more specifically to the brand's core, 'the greatest hits' of classical music.

Classic FM's advertising revenues declined by 5.6%. The market share of the 10+ years target group declined from 1.7% to 1.6%. After the summer, stronger emphasis was successfully placed on non-stop music as a result of which the position among listeners was maintained.

MyRadio

With MyRadio, SRG anticipates the increasing need for personal and thematic music choices via the internet. MyRadio listeners can choose from among 39 stations. The music lists are automatically adjusted to the listener's preferences on the basis of his/her evaluations.

In 2014, the number of listening hours rose by 35% but lagged in-house objectives as did the number of unique listeners and their listening time (in-house figures). Although revenues are still very limited, SRG considers internet radio a very important addition for the future. SRG wants to expand MyRadio to become a key pillar of its digital offer.

In terms of the sale of advertising, SRG collaborates with The Media Exchange (TMX), an independent trading platform on which media firms can buy advertising time from digital radio stations. The selling process is automated and customers can precisely track the success rate of their MyRadio advertising campaigns.

Appeal of high license fees

On 8 January 2015, the Trade and Industry Appeals Tribunal (CBb) issued a ruling in the legal proceedings instituted by the Sky Radio Group against the State. The lawsuit pertained to the € 20.4 million fee that the Sky Radio Group is required to pay for the FM licensing permit over the period 2011-2017 for the qualified A2 Lot ('Radio Veronica'). The CBb ruled in favour of the Sky Radio Group. The ruling is not open to any appeal or objection. In its ruling the CBb declared Sky Radio Group's appeal to be founded. The permit was upheld.

On the basis of its analyses, acquired advice and deliberations, TMG concludes that the consequences of the CBb ruling are uncertain. It is impossible to produce a reliable estimate of the direct consequences. This uncertainty carries over into the estimation of the future cash flows of Sky Radio Group. Greater clarity concerning the implications of the ruling is expected over the course of 2015.

2015 Trends

Increased competition for SRG. Radio 538 and NPO 3 FM remain unabatedly strong and Q-music is profiting from many years of marketing investments, primarily in the 20-34 years target group. In the 35-49 years target group, SRG is experiencing increasing competition from Radio 10, NPO Radio 2 and Q-music, that due to the expansion of its formula increasingly overlaps Sky Radio's music database. Sky Radio Group consequently is reinforcing its brands. The spearheads are as follows:

- Specifically align programming with reach objectives;
- Focus marketing on reinforcing and retaining reach;
- Increasingly focus marketing on individual consumers, including online marketing and the use of social media;
- Invest in offering more 'curated music formats' via online sub-stations to be able to better take on competition in the digital arena, including Spotify;
- Increase the brands' visibility, for example on the basis of events such as Sail 2015 and showcases (special concerts that offer listeners a unique experience and increase the bond with the station);
- Strengthen cross-media collaboration within TMG in the commercial domain.

the mission of

JEROEN VAN INKEL

If you say Radio Veronica, you say Jeroen van Inkel. A combination of many years of experience at the radio station and a little gut feeling have brought him closer to achieving his mission: "I want to make the station one of the main players in radio land."

'QUICK RESPONSE AND COMBINING STRENGTHS'

Name: Jeroen van Inkel
Age: 53
Position: DJ
Brand: Radio Veronica

"Veronica was my favourite radio station from a young age. Why? Because music has always been what matters, like Veronica's Rocknight when you could watch and listen to live performances. I thought to myself, 'that's where I want to be'. And here I am. From pirate station to A-brand broadcaster; I've grown with Veronica. It was a unique experience seeing such developments close at hand and it certainly gave me a unique relationship with Radio Veronica. It's hardly surprising that I always came 'home' after experimenting with other stations. I feel that strong connection when I say 'welcome to Radio Veronica' to the listeners. It feels like it's meant to be. It's like putting on your most comfortable sweater.

"Radio Veronica is a sleeping giant with enormous potential"

I want to develop the Radio Veronica brand wherever possible, in terms of its image and market share. The station needs to become one of the main radio players again. That's certainly possible, because Radio Veronica is a sleeping giant with enormous potential. With the right feeling, the brand can evolve properly into a radio station that features some of the best music of the past but with both feet firmly in the present, with the latest news, modern jingles and popular games such as De Stemband.
And the rest is mainly down to gut feeling: what do the listeners want? I have a good feel for that. After 30 years of road-shows, I can still get the audience onto the dance floor, shirtless, within an hour. That's when I know that I still understand what makes people tick.

Radio is a slow business

Of course it takes time to attract new listeners. Radio is a slow business, But once you've got them, they'll often stay loyal to the station. I love the fact that Radio Veronica gives me the freedom to take a few risks here and there; playing new artists who have yet to make a name for themselves. That too is essential. Listeners want to be surprised.
In my shows, I often fall back on other strong TMG brands, such as the Telesport editors. If I want to interview someone from the sporting world, they have the contacts. The strength of TMG lies in the fact that we can make use of each other's strengths. It also allows us to respond quickly, which you need to do in today's rapid, digital world. You need to keep up. Everybody wants to be a number 1 hit in the end, don't they?
Yet even a music freak like me sometimes enjoys not listening to music. When I'm reading, all I want to hear is the central heating ticking, or ominous film music while I'm working on my thriller novel. Writing is my second passion, which I accidentally discovered while telling stories to my children. I really just like to communicate by whatever means possible. I'm looking to create an oasis of peace in which people feel at home and safe. Just like the comfortable sweater that Radio Veronica symbolises for me."

KEESING MEDIA GROUP

Activities and Organisation

KMG is one of the largest publishers of puzzle magazines in Europe and operates in France, the Netherlands, Denmark, Sweden, Belgium, Spain and Germany. KMG significantly reduced its costs in 2014, primarily due to the automation of the production of puzzles. Standardisation, especially of the non-language based puzzles, offers new international opportunities for growth. The number of employees (FTEs) declined from 291 to 269 at year-end 2014. In the paper-based puzzle market KMG is faced with the same trends as the publishers of general interest magazines in Europe. The demand for paper products is decreasing in favour of digital products. The decline is reinforced through a drop in the number of sales outlets. KMG offers free apps for most language areas so as to promote the sale of digital puzzles for tablets. This concept as yet is not gaining sufficient momentum. In 2015, KMG will consequently introduce a new strategy for the sale of digital puzzles.

Philip Alberdingk Thijm was appointed as the new Managing Director of KMG effective 1 July 2014. For the last few years Alberdingk Thijm has managed Sky Radio Group (SRG).

Revenues

The revenues of Keesing Media Group (KMG) rose from € 67.0 million to € 68.1 million (+1.6%). The EBITDA contribution rose by 39.9%, primarily due to a restructuring provision made in 2013 for the closure of the printing plant in France. The largest share of revenues is earned in France (60%) and in the Netherlands (21%).

Trends by Country

The volume of the paper-based puzzle market in France declined by approximately 4%. KMG slightly improved its market position with the MegaStar and Sport Cérébral brands, especially due to the growth of the Sport Cérébral brand. MegaStar experienced a great deal of difficulty due to the closure of small distribution outlets, where the brand traditionally has had a strong position. The brands primarily compete with the titles of Guy Hachette and of general interest publishers who generally acquire their puzzles from specialists. KMG wants to strengthen its position in this business-to-business market. KMG in particular achieved cost savings through improvements in efficiency and the closure of the printing plant in Naintré, whereby the printing was shifted to already existing partners. The volume of the puzzle market in the Netherlands dropped by approximately 6%. KMG's decline was less pronounced, as a result of which its market share rose. In addition to the bestseller Denksport, KMG in the Netherlands carries the brands Win!, Jan Meulendijks and 10 voor Taal. KMG introduced a new brand, Quarks, for the 6-10 years age category. Costs dropped significantly due to the automated production of puzzles.

In Belgium, KMG maintained its strong market position in a slightly declining market. Due to the publication of special additions, revenues rose marginally. The number of unsold titles dropped due to an improved information system. In Denmark and Sweden, KMG focused on reinforcing its position in the business-to-business market. The distribution of titles was integrated into KMG Nederland, which resulted in synergy benefits and a clear reduction in the number of returns. In Spain, KMG significantly expanded the number of titles, which resulted in an improved market position and higher profit. In Germany, the result improved slightly due to a reduction in the number of returns.

Sustainable Paper
KMG exclusively uses PEFC/FSC-certified paper for its publications. This way KMG contributes to sustainable forest management practices. Additional information about the use of sustainable paper by TMG companies is provided in the chapter on Facilitating Services and ICT.

2015 Trends
Planned initiatives include:

- Growth via new international markets on the basis of international products;
- A new strategy for the sale of digital products;
- Reduction in the number of returns through means of better information system;
- Progressive automation, simplification of the organisation and reduction in the number of employees;
- Outsourcing of the German distribution to Axel Spring Verlag, as a means of improving the company's market position in Germany.

FACILITATING SERVICES AND ICT

Activities and Organisation

Facilitating Services and the ICT department fulfil a crucial role within TMG in terms of the cost efficient and flexible set up of the infrastructure required for all core activities, including print, as well as online.

Facilitating Services include the printing plants, distribution, supply chain management, procurement, CSR and the Shared Service Centre. Since its creation in 2013, Facilitating Services has controlled the printing, distribution and shared services from a strategic, tactical and operational perspective. We want to better and more efficiently manage similar internal business operations via the Shared Service Centre. For example, in 2014, cost savings were realised by reconfiguring available office space, releasing leased property and negotiating new contracts with suppliers.

Effective 1 February 2015 Ernst Schot was appointed Director of Facilitating Services. Prior to this Schot worked for a number of organisations including Flextronics Global Services and Software (FGSS) and Intermodal Solutions Veendam.

Revenues

Costs dropped due to the declining volume in printing plants and circulation, a reduction in the number of employees, lower paper costs and savings in terms of ink and printing plates. Efficiency increased causing production costs per newspaper to decline. New savings were also achieved in the distribution segment due to smarter collaboration.

ICT

The importance of ICT for a media company such as TMG continues to increase. While in the past, ICT was primarily responsible for increasing efficiency and providing controls for the back-office, today ICT is of decisive importance in terms of digitising the product portfolio, establishing multimedia relationships with customers and maximising the total reach of TMG media. In 2014, new steps were taken in this respect. By year-end 2014, all TMG brands were prominently present on tablet, smartphone and computer. Our customers, no matter where they may be, have permanent access to the most recent communications put out by our titles.

The extensive reach of the TMG brands produces a lot of customer data. By processing and combining this data the right way, TMG is able to produce unique customer profiles. Registering and tracking customer preferences makes it possible to provide customers with better offers with a greater probability of a positive response. In addition, the analysis of customer data helps us to develop more effective commercial and marketing strategies.

In 2014, an integrated Business Intelligence platform was created to further standardise the provision of information within TMG. The infrastructure and organisation of this platform makes it possible to provide the various TMG business units with the right static and dynamic information.

In 2014, improvements were made to the basic ICT facilities, primarily workstations, infrastructure and the hosting of business applications. TMG is aware of the fact that far-reaching measures are still required to achieve the desired level. The Company considers this to be one of the most important initiatives and spearheads for 2015.

In 2014, work was initiated on the creation of a company-wide ICT Shared Service Centre. With combined and centralised ICT activities, we create scale and knowledge benefits and lower costs. In 2015, this Shared Service Centre will be further expanded. In addition, applications for the primary business processes were renewed. In 2015, this will result in new content management and customer contact management applications. This will result in consistent systems for all national and regional media.

Privacy

TMG is aware of the importance of privacy-sensitive information of customers, partners and employees. TMG uses databases for and has developed a Personal Information Code of Conduct. Employees are expected to act with due care and to always work in accordance with laws and regulations and in accordance with the Personal Information Code of Conduct. The Code of Conduct is available online. Where possible, a link to TMG's Privacy Statement is placed on the web pages of TMG's websites. At the same time, the status of the ICT environment makes TMG vulnerable in the area of data. Effective measures have been established and will continue to be rolled out in 2015 to properly address all of the risks arising from the data legislation.

Printing Facilities

TMG makes use of its own two in-house printing plants to print its newspapers. The magazines are printed by an external printer. De Telegraaf, Metro and part of the free local papers (distributed door-to-door) are printed by Rotatiedrukkerij Voorburgwal in Amsterdam. A major conversion was completed in November. As a result the printing plant now has 23 printing towers, 7 folding machines and a 100% full-colour printing capacity. In 2014, an investment programme was initiated to further improve efficiency. The emphasis is on the speed of the presses and folding machines, and the efficient start-up of the presses through means of modern camera technology. The Noordholland printing plant in Alkmaar primarily prints the regional dailies, the major portion of the free local papers (distributed door-to-door) and commercial printed matter.

Due to the rapid decrease in the number of printed copies, it was decided to reduce production capacity during 2015.

Rotatiedrukkerij Voorburgwal each year participates in JINC's Bliksemstage (Flash Internship) Project. JINC helps young people from underprivileged districts make a good start on the job market by providing them with vocational orientation on the shop floor, teaching them (social) skills and giving workshops on entrepreneurship. In 2014, approximately 30 young people were introduced to the Rotatiedrukkerij Voorburgwal. In this programme, they get down to work themselves after a presentation, a tour and a Q&A session.

Physical Distribution

2014 was the first full year of the distribution partnering with the De Persgroep Nederland. This resulted in a clear reduction in the physical distribution costs per subscriber. Delivery quality furthermore improved in 2014. The number of complaints concerning non-delivery or late delivery declined from 2.6 per thousand in 2013 to 2.4 per thousand in 2014 (-7.7%).

Raw Materials and Residual Materials

Raw materials and residual materials are a strategic theme in TMG's CSR policy. TMG aims for the efficient and sustainable use of raw materials, a reduction in residual materials, and the reuse of residual materials.

Efficient and sustainable use of paper and ink

The printing of newspapers, magazines and puzzle booklets to a large extent is responsible for TMG's direct, business operations-related environmental impact. In addition, TMG is aware that the indirect environmental impact is much greater than its direct impact due to the quantity of water, fuel and energy required for the production of the newsprint it purchases. In 2014, this was a key area of attention in discussion with paper suppliers. TMG aims to use certified newsprint originating from sustainably managed forests, and where possible recycled paper.

Since 2014, we have asked suppliers to specify the actual percentage of recycled fibres used on the invoices of the paper they deliver. In the past we used the presence or lack of DIP (Deinked Pulp) in paper production as the indicator for this purpose. The new methodology produces more reliable data concerning the actual quantity of recycled paper used by us. In 2014, this was at least 23%.

Indicators and Objectives

TMG currently considers the use of sustainable paper, paper efficiency and ink efficiency as material CSR aspects for its raw materials. More efficient use of paper and ink reduces the negative impact on the environment, due to transport as well as production. Furthermore, it saves costs. In 2015, performance indicators (KPIs) and objectives will be refined and adopted for this purpose. The KPI for sustainable paper has been in use for some years.

Strategic CSR Theme	KPI	Unit	2014 Objective	Result 2014	Result 2013
Raw Materials and Residual Materials	**Sustainable Paper**				
	Purchased Certified Paper	%	> 90%	95%	94%

Reducing and reusing residual materials

Within TMG there are various residual material flows originating from in-house production processes and buildings. In 2014, the key flows of residual materials were as follows:

- Paper (printed newsprint, remnants of paper rolls, cardboard and multi-coloured office paper);
- Printing plates;
- Liquid residual materials: sludge (residual inks and solid fraction purified cleaning agents), spent oil, grease from grease traps, frying fat, waste water that may not be discharged (due to contamination by ink and cleaning agents) and plate developer (a salt solution);
- Other residual materials: oil filters, swill (food remnants), glass, plastic, rubber towels, towels, construction and demolition waste, old iron, domestic chemical waste and other operating waste.

In 2014, a new survey and categorisation of waste materials was conducted to enable us to better anticipate reuse, as well as circular use. As a result of this initiative 1,400 kilotons of additional residual materials was identified. This primarily concerns old iron (1,000 kilotons), used printing plates (300 kilotons) and liquid residual materials (100 kilotons). Without these additional residual flows, the volume of residual materials declined from 8,393 kilotons in 2013 to 6,256 kilotons in 2014 (-25.5%). Including the additional residual flows, the volume of residual materials was 7,653 kilotons in 2014; a decline of 8.8%. The December volumes are estimated figures. At 71%, paper continued to be the largest residual flow. This primarily consists of the paper consumed in the set-up of printing presses. The printing plates are manufactured such that the aluminium of used printing plates can be fully reused by suppliers. TMG's aim is to offer as much waste as possible for recycling. In 2014, the supplier recycled 100% of the printing plates and 97% of the residual paper, which is collected separately. Of the liquid residual materials, 76% was recycled into water, fuel and residue incinerated in special plants. A minimum of 25% of the remaining residual materials was recycled.

Indicators and Objectives

In 2014, a number of performance indicators (KPIs) was developed to safeguard the current material CSR aspects, the reduction of residual materials and the reuse of residual materials. These will be refined and adopted in 2015.

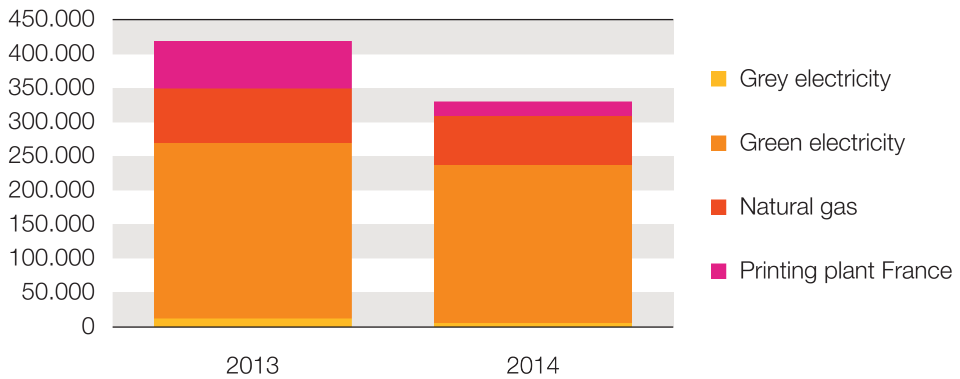
Energy Efficiency

A considerable quantity of energy is consumed in the manufacture and transport of TMG's products and (online) services. This consumption has an environmental impact. In the data shown below, the December 2014 figures are estimated figures.

Reduced and more sustainable energy consumption

The Dutch government has negotiated a long-term agreement on energy efficiency (MJA) with a large number of sectors concerning energy efficiency improvements. At the end of 2012, the graphics sector also joined the MJA3, which runs until 2020. TMG has prepared an Energy Efficiency Plan (EEP) for the Amsterdam and Alkmaar campuses in this context. This plan targets a cumulative reduction in energy consumption over the period 2013-2016 of 8%. In 2014 new EEP measures contributed to a lower energy consumption. The energy savings have been converted into savings in the use of primary fuels. In Amsterdam, the calculated consumption declined by 7.66% and in Alkmaar by 3.27% in comparison to 2012. In Alkmaar, the cumulative 4% objective was not achieved because investments with a payback period of more than 20 years were not implemented. TMG's total energy consumption (gas and electricity) declined by 23% compared to 2013, primarily due to fewer employees, reduced production in the printing plants, the disposal of a printing plant in France and the mild winter.

Energy Consumption in GJ



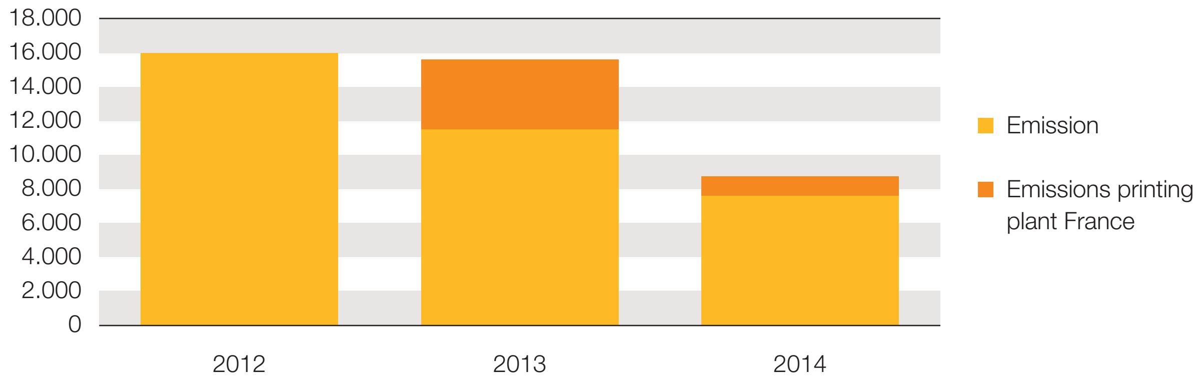
TMG aims for sustainable electricity through means of the purchase of Certificates of Origin (CoOs) issued by CertiQ, which was created by the government for the purpose of certifying sustainable energy. In 2014, 96.7% of the total electricity consumed was certified sustainable compared to 90.9% in 2013.

Reduction of CO_2 Emissions

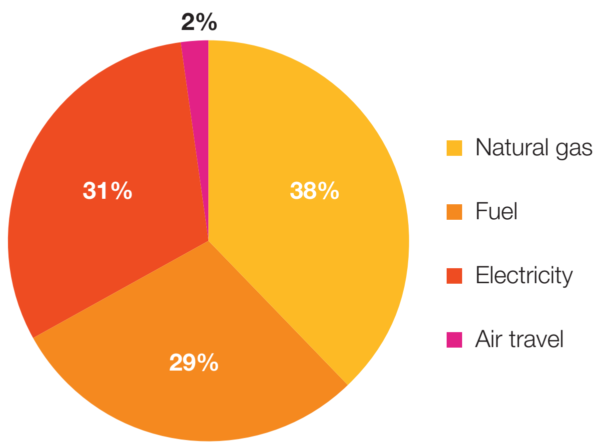
In 2010 TMG set the objective of reducing CO_2 emissions by 40% in three to five years. In comparison to 2010, the CO2 reduction is currently 71% (excluding the printing plant in France). In the year under review, total CO_2 emissions declined from 15,739 kilotons (2013) to 8,740 kilotons (-44%), in particular due to the closure of KMG's printing plant in France in the second quarter. Excluding this printing plant, emissions declined from 11,764 kilotons in 2013 to 7,634 kilotons in 2014 (-35%), primarily due to the increased wind power and less energy produced from biomass. As a result, electricity consumption-related CO_2 emissions declined by 94%. CO_2 emissions from the consumption of natural gas declined by 23% in part due to the mild winter. Fuel-related and air travel-related CO_2 emissions rose somewhat, particularly due to an increased number of business flights and because KMG's car fleet was added to the measurements.

Printing presses consume an inordinate amount of electricity. The significant greening and savings of electricity consequently automatically increases the share of transport-related CO_2 emissions.

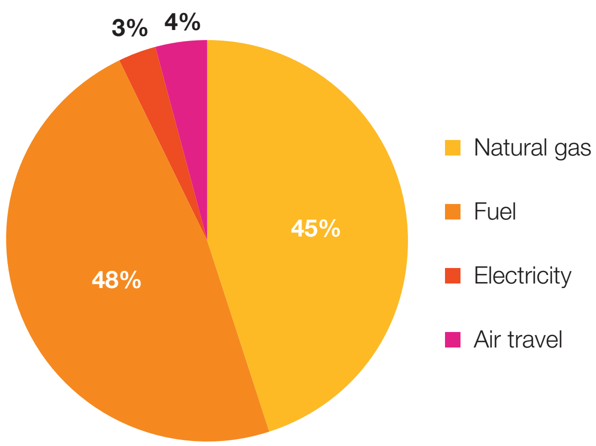
Total CO_2 emissions in kilotons



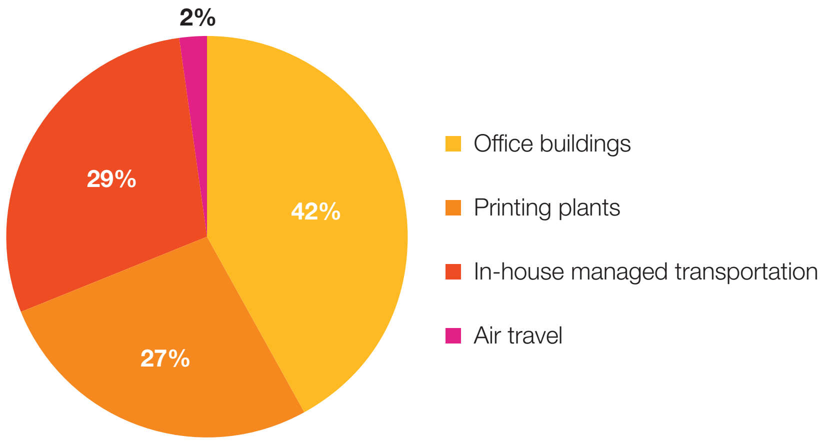
Direct CO_2 emissions 2013 by type



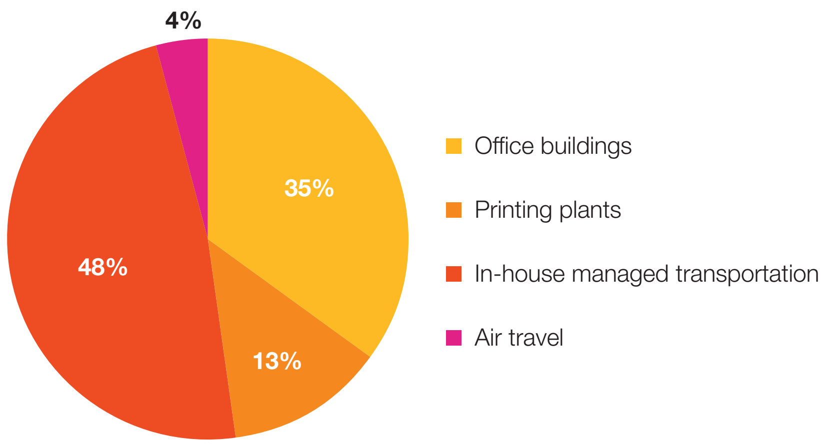
Direct CO_2 emissions 2014 by type



Direct CO_2 emissions 2013 by function



Direct CO_2 emissions 2014 by function



CO_2 emission graphs by type and function, excluding the printing plant in France.

Transport-related CO_2 emissions
Aside from electricity, natural gas and fuel, TMG consumes indirect fuel for transport related to distribution, commuting and business flights. TMG aims to optimise its routes in support of its distribution activities and to combine transport, in part by partnering with other daily newspaper publishers. TMG limits the environmental impact of lease cars by making the choice of A, B or C environmental labels mandatory and setting a maximum CO_2 upper limit for each label. In the lowest category the maximum CO_2 emission for petrol and diesel is 115 and 100 grams respectively, in the highest category it is 175 and 135 grams respectively. In 2014, all lease car drivers received driving proficiency training and regular safety and damage avoidance tips. The lease car fleet declined by 48 cars in 2014. TMG this year took part in the Low Car Diet; a one-month promotion and contest organised by the Dutch National Railways (NS) and the Urgenda Foundation to promote sustainable mobility in companies and organisations. 1,150 employees in 100 companies participated. The team of 11 TMG employees won the competition by travelling 60% more sustainable kilometres.

In 2014 the CO_2 emissions of KMG's car park were included in the figures for the first time. Excluding KMG, the CO2 emission of the lease car fleet dropped by 10%. This reduction is primarily due to the driving proficiency training and a decrease in the number of lease cars.

CO_2 Reporting

TMG reports the direct impact of the CO_2 emissions of office buildings, printing plants and in-house managed transportation (scopes 1 and 2) and the indirect impact of CO_2 emissions from business travel by air (scope 3) in accordance with the Greenhouse Gas Protocol guidelines (www.ghgprotocol.org).

Up to and including 2013, TMG reported in accordance with the CO_2 emission factors of the Independent Foundation for Climate-Friendly Procurement and Business (SKAO). To improve the transparency and the comparison of CO_2 emission data among companies, the SKAO, together with Stichting Stimular, Connekt, Milieu Centraal and the Dutch Government, prepared a standard list with a clear explanation of the underlying principles. This list is available at CO_2emissiefactoren.nl. Effective from 2014, TMG will apply the CO_2emissiefactoren.nl data for the purpose of calculating the CO_2 emissions. To provide transparency in terms of comparisons with previous years, the CO_2 figures for previous years in the current report have been adjusted in accordance with the CO_2emissiefactoren.nl list.

Indicators and Objectives

Within the strategic energy efficiency CSR theme, four material CSR aspects were of importance to TMG over the past four years: CO_2 reduction (GHG Scopes 1 & 2), sustainable distribution kilometres, reduction in digital environmental impact and reduction in energy consumption. In 2014, provisional performance indicators (KPIs) were developed for this purpose. In 2015, these objectives will in part be established on the basis of a stakeholder's dialogue.

Strategic CSR Theme	Indicators	Unit	2015 Objective	2014 Objective	2014 Result	2013 Result
Energy Efficiency	**Reduction of CO_2 Emissions**					
	In 2010: Cumulatively reduce annual CO_2 emissions by at least 40% in 3-5 years.	%	-	40% compared to 2010	71% compared to 2010	56% compared to 2010
	Reduction in Energy Consumption					
	2012: minimum of 8% in energy savings over 2013-2016 (annual average of 2%) for Amsterdam Campus.	%	Cum. 6%	Cum. 4%	Cum. 7.7%	4%
	R2012: minimum of 8% in energy savings over 2013-2016 (annual average of 2%) for Amsterdam Campus.	%	Cum. 6%	Cum. 4%	Cum. 3.3%	2.9%

Partnerships and Sustainable Supply Chain Approach

TMG also aims to reduce the negative impact on people and the environment via partnerships and a sustainable approach to the supply chain. Sustainable purchasing plays a key role in this. TMG has a code of conduct for suppliers with conditions related to the environment, working conditions and employee rights. This code is standardly included in the conditions of the Group Purchase department. At year-end 2014, just as in 2013, 67% of centrally contracted suppliers had signed the code of conduct or confirmed adherence to an equivalent code of conduct. For additional information about the code of conduct visit http://www.tmg.nl/sites/default/files/Gedragscode-voor-Leveranciers-TMG-2-0.pdf. In addition to the code of conduct, Group Purchasing also uses other relevant CSR aspects for relevant purchasing needs included in RFPs (extensive proposals) as decision criteria.

TMG also includes the Total Cost of Ownership in its purchasing calculations. This encourages suppliers to keep the energy consumption of their services or products as low as possible, for example. Additional effort was expended on the reuse of raw materials in 2014. An example of this is the reuse of wax cloth rollers. By removing the plastic cores from wax cloth rollers used in printing plants and collecting them separately they can now be reused. After the wax cloth has been removed a new innovative cloth is attached to the plastic core. TMG shared its knowledge about the waxing process with the supplier, so that the supplier was able to supply a modified product with the most effective waxing agent and greater length on the wax rollers, among other things. In addition to reduced environmental impact within the supply chain, this project also resulted in considerable cost savings.

Indicators and Objectives
Supply chain partnerships and sustainable purchasing are two material CSR aspects that were important to TMG in the year under review in the context of the strategic CSR theme Partnerships and Sustainable Supply Chain Approach. Signature of the code of conduct has been used as a KPI for sustainable purchasing for some years. In 2014, an elaborate set of KPIs was developed for this strategic CSR theme. These will be refined and adopted in 2015.

2015 Trends
The key market trend for TMG, and also for Facilitating Services and ICT, is the shift in media consumption from print to digital. ICT is crucial to broaden and deepen relationships with existing consumers and to build up new relationships. We are improving the systems and support the customer contact centres so we can be more effective. For the printing plants and physical distribution, the shift from print to digital especially means that:

- Opportunities to realise potential cost savings via collaboration with partners will be investigated;
- Cost savings will be realised on the basis of collective purchasing and sharing services and capacity.

ICT-related work is underway in the following areas:

- Further improvement of the basic ICT facilities, primarily workstations, infrastructure and the hosting of business applications;
- Expansion of the Shared Service Centre ICT in order to achieve economies of scale;
- The renewal of applications in support of primary business processes.

In terms of the impact on people and the environment, these market trends mean that:

- The negative impact of paper and ink consumption will automatically decline;
- Energy consumption within the chain may increase due to the expanded deployment of data centres.

the mission of

KLAAR BAVINCK

In recent years, VROUW has grown from a fortnightly page in De Telegraaf into a brand with its own image. With a magazine, a glossy, an online environment, workshops, girlfriends' weekend and concerts, brand manager Klaar Bavinck has developed this spearhead into a popular media platform. ►►►

'ALWAYS SOMEONE TO TALK TO'

Name: Klaar Bavinck
Age: 43
Position: brand manager
Brand: VROUW

"The VROUW mission is to give women someone to talk to. We do so using subjects such as relationships, psyche, fashion, beauty and food, preferably with a link to current affairs. All the things that I enjoy discussing with girlfriends. VROUW began as a page in De Telegraaf but we want to develop it into a brand, whose own strength makes it part of women's daily routines. Look at TMG brands such as Privé, Sky Radio and of course De Telegraaf itself, they're all large national media brands that consumers consciously choose. That's where we want to put VROUW.

It all takes time, research, innovation and consultation with colleagues. And I'm pleased to dive in because innovation, improvement and learning are my driving factors. I learn the most from colleagues. There are so many different people working at TMG: in the editorial office, in sales, business development, etc. By working intensively with colleagues from various disciplines, I can learn from their experience, knowledge and background. It's this inspiration that helps me continue to innovate VROUW.

"I want to make VROUW a part of the daily routine"

Two years ago, we launched a magazine called VROUW Glossy. The first issue was sold out within a week. We now produce six issues per year. In the past year, we've also had success with VROUW Café, a workshop or presentation for 120 women. Another milestone is VROUW in concert: a live performance by a popular artist for 5,000 women. We began with Jan Smit, followed by Nick and Simon. There are plenty more big names on our wish list. Luckily, successful performing artists are easier to approach thanks to the TMG name.

Cross-media

We organise all kinds of other activities during these concerts. While Jan Smit is performing in the main auditorium, the women can wander around the stands and get their nails varnished, for example. That's proof enough: our visitors don't just come for the performance, but also for VROUW and the total picture it offers. We organise it all in-house and I'm proud of that. It's the best bit of being part of such an impressive media concern as TMG. You can think big. Developing our brand into an established, cross-media platform really energises me! Women will naturally turn to our platform for their daily dose of information and entertainment."

OUR PEOPLE

TMG aims to be among the best employers in the media market by creating a healthy working climate in which performance, collaboration and the sustainable development of employees and competencies are key.

Continued adjustments to the organisation structure and competencies are essential to be able to anticipate changing market conditions. The development and advancement of employees was not sufficiently emphasised. As part of the TMG-wide change management programme initiated at the end of 2014, TMG in 2015 and beyond will invest in employee development in support of the sustainable development of talent, leadership and competencies. This way we also create better prospects for the inflow of the new competencies required to be able to anticipate the changing market. For example, the outline for leadership and cultural programmes for the Top 100 have now been developed, greater attention will be focused on the development of internal networks such as the Young TMG programme and talented employees will be involved in innovative projects. The dedication, competencies and performance of our people are crucial to the success of TMG.

Sustainable Employability

Employees make competencies available to TMG for the purpose of achieving business objectives and are given opportunities within TMG to (further) develop competencies to ensure their sustainable employability internal and/or external to TMG.

Training & Development

The sustainable employability of employees requires continuous schooling and training (vocational and skills). This enables employees to continue to develop themselves and to perform to the best of their ability. Examples of internal training include Basic Sales Training, Situational Management and Performance Management. In 2014 € 1.1 million was spent on schooling and training (2013: € 1.0 million). This figure is expected to (substantially) increase over the coming years.

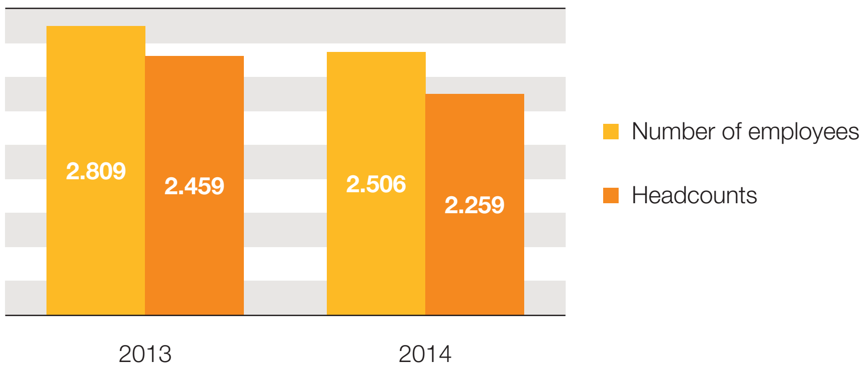
Health & Safety

A healthy and safe working environment is also inextricably linked to sustainable employability. TMG's health policy is focused on preventing illness and disability, and providing optimal support during reintegration. Absence due to illness rose from 3.5% in 2013 to 3.9% in 2014 (exclusive of KMG abroad and GroupDeal). This is largely due to a number of employees on long-term sick leave. The number of company accidents involving absence declined from 13 in 2013 to 1 in 2014.

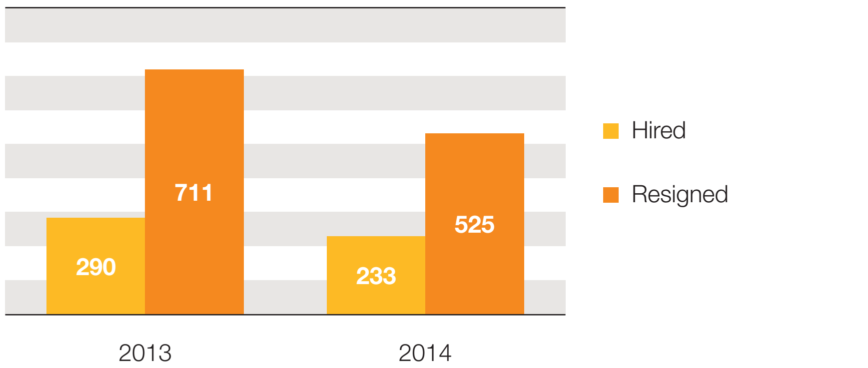
TMG's Employees

TMG aims for a personnel complement that to an important extent is a reflection of the composition of the Dutch population. This has not (yet) proven to be feasible in actual practice up until now; few employees from other cultures are employed within TMG. In the context of the Participation Act, companies must provide employees with limited access to the job market an opportunity to acquire work experience. This aspect as well has not been properly emphasised up until now. In 2015, TMG will develop an appropriate policy for this purpose. The male/female ratio (61%/39%) remained unchanged in 2014. Virtually only men work in the printing plants (96%). Excluding the printing plants the male/female ratio was 56%/44% in 2014. The male/female ratio of employees in senior positions was 78%/22%. The average age is relatively high.

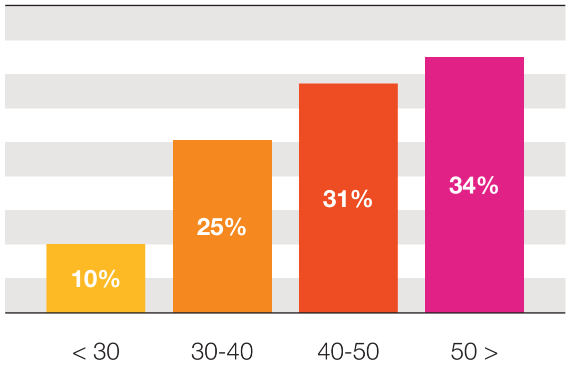
Number of employees



Number hired and resigned



Age



Terms and conditions of employment

CLA Agreement for Publishing Business

The negotiations on the CLA for the Publishing Business (formerly 2013 Framework CLA) were continued at the beginning of 2014. After a difficult negotiating process between employers and trade unions, agreement in principle was reached at the beginning of October concerning a new CLA effective 1 January 2015. This CLA replaces the Newspaper Publishers CLA, the Newspaper Journalists CLA, the Book and Magazine Publishers CLA, the General Interest Magazine and Opinion Magazine Journalists CLA and the Trade Journal Journalists CLA. At the beginning of 2015, the details of the main principles of the new CLA will be defined by the CLA parties and the transition provisions will be agreed for the transition from the existing CLAs to the Publishing Business CLA.

The existing CLAs have been extended up to and including 31 December 2014. All of the six CLAs include a provision for a structural wage increase of 1% retroactive to 1 January 2014. In addition, a one-time 0.5% payment was agreed upon that was paid in January 2015.

As of 1 January 2015, the Free Local Papers Journalists CLA is not yet consistent with the Publishing Business CLA. It is not clear whether this will happen at a later stage. The Free Local Papers Journalists CLA expired on 31 March 2014. Negotiations concerning an extension of the existing CLA started at the end of 2014, but there is as yet no agreement. Negotiations concerning the extension and modernisation of the Graphics Media CLA are still ongoing.

In total, 1,709 TMG employees are covered by a CLA.

Excessive Salaries Accord

The Excessive Salaries Accord (freezing salaries above 110% of the salary range) that TMG negotiated with the Central Works Council in 2010 and that was implemented for journalists in 2013 is definitively legally valid. In March 2014, the Amsterdam District Court dismissed an Appeal filed by the FNV Kiem and CNV trade unions against the Accord. The trade unions waived the possibility of filing an appeal in cassation.

Pension Scheme

In 2014, TMG initiated negotiations with the Central Works Council's Pension Committee concerning a new pension scheme. The subject is complex and requires careful decision-making. It was therefore decided to set the implementation date for the new pension scheme to 1 January 2016. The contract with the Telegraaf Pension Fund expires on that date as well. The parties will resume negotiations on this at the beginning of 2015. On 1 January 2015, the pension contract with an external insurance company for 14 employees of the Sky Radio Group expired and these employees have been included in the Telegraaf Pension fund.

Amendment of the Terms and Conditions of Employment

TMG aims for flexible terms and conditions of employment. The objective is to achieve consistency with the Publishing Business CLA's personal options budget. The options budget is still to be worked out in further detail by the CLA parties.

Social Plan

In April 2014, TMG and the trade unions reached agreement on a new Social Plan for TMG. It was agreed that the existing Social Plan would continue to apply until 1 July 2014 to the currently ongoing reorganisations. The existing Social Plan will also apply to the reorganisation of Holland Media Combinatie announced at the time. The new Social Plan expires on 30 June 2015 and applies group-wide.

Employees who are declared redundant, among other things, are provided with a job market analysis and have the choice of various arrangements, including placement services via selected placement agencies, laid down in the Social Plan.

Employee Participation

As in 2013, the Central Works Council was involved in a change in executive management at TMG in 2014. The new Executive Board took drastic measures. A number of employees, including a number of familiar TMG faces left the company and the staff departments were partially restructured.

In 2014, the Central Works Council regularly exchanged ideas with the Executive Board concerning the direction TMG wants to take. In addition, there were regular meetings with the delegated supervisory director.

The Central Works Council was critical where necessary. The Central Works Council tackled several issues, including two major long-term dossiers: the planned review of the pension scheme, including its possible transfer to a pension insurer, and the restructuring of the ICT organisation. A Pension Committee and an ICT Committee were created for this purpose. They regularly met with the Executive Board on behalf of the Central Works Council. These meetings will be continued in 2015. In addition, the Central Works Council focused on matters such as optimising security, the design of Facilitating Services' legal structure and the Supervisory Board's proposed Executive Board remuneration policy.

In part based on the refined strategy and reorganisation announced at the end of 2014, the Central Works Council expects that 2015 will not be an easy year for TMG. The Central Works Council will critically monitor the measures, including a further decrease in the number of employees. The Central Works Council is entirely in agreement with the Executive Board that any changes must devote more attention to the development of employee competencies. The Central Works Council supports the notion of a profitable and innovative company in which employees are given an opportunity to develop.

RISK MANAGEMENT

The effective management of risks is essential to achieving the Company's objectives and strategy. Risk management is an integral part of TMG's day-to-day management. TMG's internal risk management and control system is focused on creating increased risk awareness within the organisation and on gaining insight into and controlling business risks.

TMG's Internal Risk Management and Control System

The internal risk management and control system is described in TMG's Risk Management Policy. TMG's objective in this respect is to identify, evaluate and manage the events (opportunities and threats) that can affect the realisation of the Company's strategy and objectives.

TMG's internal risk management and control system adheres to the well-known COSO Enterprise Risk Management Framework (COSO ERM), and makes a distinction between strategic, operational, financial and compliance risks.

	Strategic	Operational	Financial	Compliance
Objective	Focused on achieving strategic objectives	Focused on achieving operational objectives, including process effectiveness and efficiency	Focused on managing the guidelines pertaining to the financial statements	Focused on managing compliance guidelines and legislation
TMG Approach	Each year strategic risk management workshops are conducted with Management Teams, departments and the Executive Board.	A number of risk self-assessments of TMG's primary and secondary processes is conducted each year. The process managers twice a year update the risk control matrices that contain the risks, control measures and actions. In addition, they conduct semi-annual audits to determine whether the control measures are effective.	The audits conducted by the process managers every six months are, among other things, focused on testing the control measures concerning the most important items in the financial statements.	The Compliance Officer is responsible for policies focused on compliance with laws and regulations. Changes in laws and regulations and amended policies are regularly discussed with the Management Teams and are communicated to employees.

Supervision and Monitoring

The management of risks is a continuous process and forms part of TMG's planning & control cycle. The risk management and control system falls under the supervision of the Audit Committee. The most important risks and risk management progress are periodically reported and discussed with the Executive Board and the Supervisory Board's Audit Committee. This forms the basis for reporting to the Supervisory Board.

Evaluation and adjustment of the risk management and control system

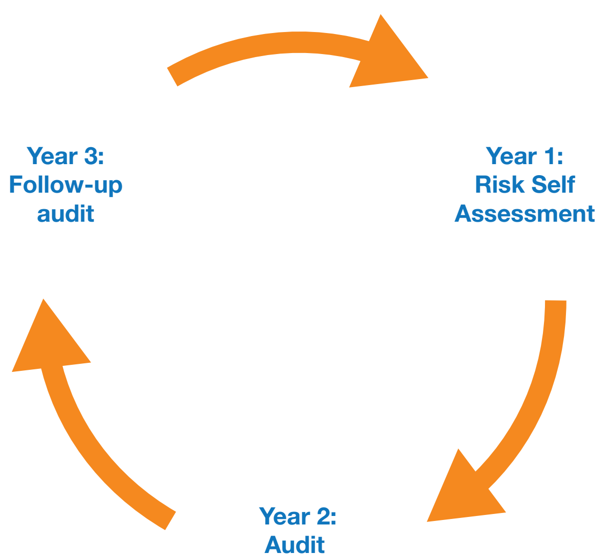
TMG each year evaluates its internal risk management and control system. This evaluation is combined with the findings of the external auditor. The conclusion is that the rapid pace of change in the market in which TMG operates – migration from print to digital – and the multiple changes in the internal organisation in recent years have resulted in a failure to adjust a large number of processes and systems. This is why in 2014 TMG made a start on a number of measures concerning the risk management and control system:

- In 2014, it was decided to temporarily merge the Internal Audit and Risk Management departments in order to accelerate the preparation of updated risk analyses and to adjust them in line with the changed organisation, processes and systems. Internal Audit/Risk Management has a facilitating role in this respect so as to safeguard the independence of this department.
- In addition, Internal Audit conducted independent audits in accordance with the Annual Audit Plan.
- In 2014, the Risk Management and Internal Audit plans were further integrated and for the first time this resulted in the availability of an integrated audit/risk management schedule. The adjusted internal risk management and control system operates on the basis of a 3-year cycle for the most important processes.

Year 1: Risk Self-assessment
The process owner together with key officers involved in the process conducts an elaborate risk self-assessment. They evaluate the process and formulate actions to address the high risk areas. Internal Audit & Risk Management facilitates this process.

Year 2: Audit
Internal Audit conducts an independent audit and provides an assessment of the process controls. An improvement plan to mitigate the risks is prepared on this basis.

Year 3: Follow-up Audit
Internal Audit conducts an independent follow-up audit and provides an assessment of the progress achieved in terms of the improvement actions identified as a result of the previously conducted audit. If necessary, additional actions are formulated. In the interim, the process owner reviews the most important process control measures and assumes responsibility for the follow-up measures.



- The initial Internal Audit findings as well as the auditor's findings concerning the process controls were substantial. This was acted on by the Executive Board in close collaboration with the Audit Committee. Various actions were defined and have been initiated.
  - In the fourth quarter of 2014 explicit attention was devoted to creating risk awareness at the top of the organisation. The Executive Board, the Audit Committee, plus the chairman of the Supervisory Board, and the general managers of the business units held a workshop concerning the 'tone at the top' and culture, in which internal controls were a key theme. The internal controls will be disseminated to all ranks within the organisation.
  - A code of conduct and integrity programme was initiated, whereby the code of conduct and regulations were reformulated. In 2015, awareness concerning conduct and integrity will be given further substance and will be embedded within the organisation.
  - In 2014, the Executive Board, in addition to the currently existing progress reports, scheduled quarterly meetings to discuss progress on actions with the Business Control Managers. From 2015, quarterly meetings will also be held with the general managers.

- Effective from 2014, internal control is one of the management and controllers evaluation criteria within TMG's performance management methodology.

- A number of fraud awareness workshops were held in 2014. Fraud reporting and monitoring operates in accordance with the Fraud Policy. The Fraud Policy was evaluated in 2014, and adjustments will be implemented in 2015. An important change is that not only fraud, but other incidents as well, will be centrally recorded and monitored under the new reporting process.

- The ICT Security Officer has prepared an ICT-in-control plan, that will continue to be implemented in 2015.

Identified Strategic Risks for 2014

Mitigating measures were identified for the most important risks for 2014. The risks are subdivided into strategic, operational, financial and compliance risks. Part of the planned measures have been implemented. The measures were partially adjusted on the basis of the refined strategic direction.

Strategic Risks	Measures
Declining Market The inability to offset the declining return related to traditional activities (on advertising and subscription sources of income) on a timely basis by organic (growing) digital activities.	In 2014, TMG foresaw a further decline in advertising and subscription revenues. In the digital arena, TMG is experiencing success with automated trading. Revenues are rising and TMG is a front runner in the market in terms of the automated trading of advertising space. In addition, premium content has been introduced to the market. The Company's focus, more clearly than ever before, will be on its key brands, the development of distinctive editorial content and consequently on reinforcing the core business. The key brands are De Telegraaf, DFT, Telesport, Metro, Autovisie, Privé, VROUW, the regional dailies – such as Noordhollands Dagblad en Haarlems Dagblad – Radio Veronica, Classic FM and Sky Radio. Digital revenues in 2014 were unable to sufficiently offset the decline in advertising and subscription revenues. The sale of products and services via GroupDeal rose. The other commercial online activities only made a limited contribution to the strategic goals. The development of additional business was not sufficient to be able to offset the total decline in De Telegraaf revenues. The budgeted cost savings in 2014 were not sufficiently realised. TMG's result trend consequently necessitates further restructuring in 2015.
Innovative Capacity Insufficient capacity to develop new profitable business models for journalistic content and online propositions.	TMG must ensure that it develops medium-type-independent (new) products, platforms and concepts associated with the brand. TMG has implemented a number of content-related innovations. For example, in 2014, De Telegraaf migrated to tabloid and initiated the digital Sunday newspaper. The DFT brand has launched the DFT evening edition and in December organised its 100th online DFT seminar. Video and mobile are increasingly used to convey content.

Operational Risks	Measures
Retaining and attracting properly qualified personnel with entrepreneurial competencies. Insufficient capacity to retain or attract the right employees.	TMG offers employees the opportunity to develop creative ideas, for example through means of organising idea sessions, network meetings and lectures. Young TMG does this for young talented employees. TMG has initiated a TMG-wide change management programme that will continue to be implemented in 2015. A leadership programme for the top 100 and the talent development programme, among other things, form part of this change management project. Talented employees have been identified and are involved in the various change management projects that have been defined. A separate project has also been identified to realise the desired changes within the organisation. This change management programme will also involve reorganisations. TMG is aware of the fact that this can cause uncertainty among employees and that, in spite of the measures taken, this can result in unwanted departures.
Process Efficiency Insufficient capacity to further optimise complex business processes.	The continued automation and standardisation of processes did not progress sufficiently in 2014. A number of projects was recalibrated, and their scope was adjusted in 2014. The projects include a focus on increased collaboration among business units. The projects initiated in 2014 have been grouped into a centrally managed change management programme. These projects are now being implemented on an accelerated basis. The content management system will be replaced, making it easier to serve multiple platforms. Additional automated controls will be implemented within the advertising system, resulting in a more effective and efficient process. The invoicing system that forms part of the circulation process will be redesigned. Specific attention will be devoted to the implementation of additional automated controls as part of the redesign of processes and systems.
ICT Transformation The insufficient ability to guarantee a stable ICT environment in terms of the continuity of business operations in the context of the ICT Transformation.	The ICT organisation was restructured in 2014, for example by creating the ICT Shared Service Centre. A start has been made on the further centralisation of ICT activities. Key areas of attention in this respect are the reallocation of duties/responsibilities and authorities, the continued rationalisation of applications and systems, and the standardisation of ICT processes. The status of the ICT environment prompted the Company to take effective measures and actions. Risk Security has been formalised by appointing a Risk Security Officer, and a separate ICT-in-control plan has been developed that will be implemented further in 2015. The organisation will take measures in the area of ICT in this respect that will enable the organisation to rely more on automated controls. The replacement of the office automation has been deferred to 2015.

Financial Risks	Measures
Working capital Insufficient capacity to manage the outstanding receivables within the current economic climate.	Outstanding receivables are carefully monitored. Customers are more critically assessed in terms of their financial position. Regular debtor meetings are taking place during which key ratios are managed. The DSO has been shortened by 10 days. A separate treasury function was set up at the end of 2014.

Compliance Risks	
Data Legislation Insufficient capacity to manage data quality within the applicable laws and regulations.	In 2014, Legal Affairs held four information sessions concerning data legislation. The risks pursuant to the data legislation were subsequently identified. Attention was devoted to topics such as the cookie legislation and the privacy legislation. Specific attention will also be devoted to the data legislation-related risks in 2015.

Identified Strategic Risks for 2015

TMG has identified its key risks for 2015, taking the continuously changing media environment, economic trends and the changing job market into account. The risks are subdivided into strategic, operational, financial and compliance risks.

Strategic Risks	Measures
Cultural Change Insufficient ability to generate the required cultural change, norms & values and management quality.	A TMG-wide change management programme was initiated at the end of 2014. The programme, among other things, comprises a culture and integrity programme that devotes attention to the way in which, and on the basis of which norms and values, we want to work together. The TMG Change Management Programme focuses on all employees. The leadership and talent development programmes that have been initiated are a key component of this programme. The 'tone at the top' is essential. In addition, the programme will also focus on our external business relations, for example, in terms of sustainability.
Ability to Respond to Market Trends Insufficient ability to respond properly (timely and to a sufficient degree) to market trends.	TMG has to respond more effectively to market trends. The Company's focus, more clearly than ever before, will be on its key brands, the development of distinctive editorial content and consequently on reinforcing the core business. The key brands are De Telegraaf, DFT, Telesport, Metro, Autovisie, Privé, VROUW, the regional dailies – such as Noordhollands Dagblad en Haarlems Dagblad – Radio Veronica, Classic FM and Sky Radio. Digital initiatives that do not form part of the key brands and the printing plants will not form part of the core business. For each business unit that does not form part of the core activities, a future scenario will be developed whereby partnering with other parties is among the possibilities. The organisation structure will be adjusted in 2015, to transform TMG from a functional to more of a brand-oriented organisation. TMG's customers are the centre, whereby editors, circulation and commerce work directly with each other in teams in order to meet customer needs. A flat organisation in which employees have the same objectives for each brand/product makes it possible to respond faster to changes in the market. Entrepreneurship is more actively encouraged in part by giving employees more responsibility. A more functional, centrally managed model is expected to be applicable to support services.
Capitalising on Data The insufficient ability to capitalise on consumer and customer data.	TMG has a large quantity of consumer and customer data at its disposal. In 2015, TMG will further analyse this data and classify it by value. The improved ability to predict behaviour means that TMG can better serve its consumers and customers. In addition, TMG can use the data as a better source of learning enabling it to further optimise its products and processes.

Operational Risks	Measures
Stability of the ICT Environment The insufficient ability to guarantee an unambiguous and stable ICT environment in terms of the continuity of business operations.	In 2015, ICT will continue to be further centralised, including the standardisation of the ICT processes and the further rationalisation of applications. Aside from the continued implementation of the editorial system initiated in 2014, the advertising and circulation ICT landscape will be further optimised in 2015. This will include the further standardisation and automation of controls. In 2015, the office automation will be replaced. The ICT-in-control programme will be implemented in 2015. This programme devotes specific attention to the continuity of business operations. While the above-referenced measures have a high priority, TMG cannot guarantee that measures will immediately produce the targeted result.
ICT Renewal The insufficient ability to implement new (ICT) applications at the frontend of the Company	The further digitisation of propositions for TMG's customers requires considerable ICT effort. In order to implement this, the decentralised operating ICT units will be centralised and structured and project-oriented initiatives will be undertaken in this area under centralised control.

Financial Risks	Measures
Market, credit, liquidity, foreign exchange and interest rate risks. For a more detailed description and quantification of the above-mentioned financial risks and the management of these risks, see Note 31 in the consolidated Financial Statements.	

Compliance Risks	Measures
Data Legislation Insufficient capacity to manage data quality within the applicable laws and regulations.	The risks related to data legislation will be explicitly incorporated into the improvement actions related to capitalising on data.

The Executive Board is aware that it is not possible for any risk management and control system to provide an absolute guarantee for achieving the enterprise's objective, nor can this system prevent errors, fraud or violations of laws and regulations.

Management Letter

Internal Audit as well as the external auditor have made important observations throughout 2014 concerning the status of TMG's internal control environment. Particularly in the area of the ICT environment there are issues. The Executive Board acknowledges the observations made by Internal Audit and the auditor. A number of general IT controls within TMG are currently insufficient, as a result of which alternative – primarily manual – controls for the time being have been implemented in combination with additional data-oriented audits by the auditor.

To carry out its activities in 2014, the external auditor carried out a significant amount of additional work (assessment of manual detective control measures instead of more preventive and automated control measures). The above-referenced process and system projects will devote explicit attention to this in 2015.

STATEMENT OF RESPONSIBILITY

TMG´s Executive Board is responsible for monitoring the internal risk management and internal control systems. In the chapter on Risk Management in the Annual Report, the Executive Board describes how it has structured the supervision and monitoring system, as well as which measures it has implemented pursuant to its annual evaluation. The evaluation of the Executive Board and the findings of Internal Audit and the external auditors are regularly discussed with the Audit Committee in the presence of Internal Audit and the external auditor. The Supervisory Board is kept informed of these discussions.

The findings of the Internal Audit and the external auditor during 2014 have resulted in the observation that the risk management and internal control system no longer performed as required. Shortcomings were observed in terms of the ICT environment, with the further observation that the automated controls for some components are lacking. The Company has implemented alternative – primarily manual – controls. Furthermore, additional data-oriented audits were performed. Furthermore, specific attention was devoted to risk awareness at the top of the organisation through means of a workshop attended by the full membership of the Supervisory Board.

The Executive Board is of the opinion that in accordance with Best Practice Provision II.1.5 of the Corporate Governance Code, the internal risk management and control systems – with due consideration to the above-referenced observations (alternative, primarily manual, controls with additional data-oriented audits) – provide a reasonable degree of assurance that the financial reporting does not contain any material misstatements and that the risk management and control systems – with due consideration to the above-referenced observations – functioned as expected during the reporting year.

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

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

Amsterdam, 10 March 2015

Executive Board, Telegraaf Media Groep N.V.

Geert-Jan van der Snoek - CEO

Leo Epskamp - CFO

CORPORATE GOVERNANCE

Telegraaf Media Groep (TMG) has a so-called two-tier Board that comprises the Executive Board and the Supervisory Board. The Executive Board and the Supervisory Board are responsible for the Company's corporate governance structure. This chapter provides an overview of the corporate governance structure. The Executive Board and the Supervisory Board endorse the principles of the Dutch Corporate Governance Code (the Code).

Corporate Governance Code

The so-called Corporate Governance statement, including TMG's comprehensive 'comply or explain' summary concerning the Code, is available at www.tmg.nl. Explanation of deviations from the Corporate Governance Code:

Principle II.2.13 f, g, h In relation to the variable short-term remuneration, the Supervisory Board has made use of its discretionary powers to grant Mr Van der Snoek (CEO) a variable remuneration of € 60,000 for 2014 and Mr Epskamp (CFO) a variable remuneration of € 35,000 for 2014. The variable remuneration was not linked to the achievement of performance criteria, due to the fact that Mr Van der Snoek joined the Company halfway through the year and Mr Epskamp joined on 1 September 2014. Effective from 2015 this will be the case, however. Furthermore, when Messrs Van der Snoek and Epskamp joined the Company, clear agreements were established about the areas on which they would first focus their attention.

Principle IV.1 TMG does not allow shareholders to vote remotely in the General Meeting of Shareholders. In principle, shareholders should attend the meeting in order to be able to discuss matters with other shareholders present and so form an opinion.

Best practice provision IV.2.8 It is possible for the management of the Trust Office to issue voting proxies to depositary receipt holders, even during times of war. The practice of binding voting instructions from a depositary receipt holder to the management is not supported, as the Board is of the opinion that those wishing to vote ought to be present at the general meeting of shareholders. Holders of depositary receipts can freely convert their depositary receipts into shares in order to obtain voting rights.

Best practice provision IV.3.1 This provision is not adhered to when it regards presentations to individual (institutional) investors. These cannot be viewed via webcasts. However, group presentations can be viewed via webcasts (www.tmg.nl). After they have been given, group presentations will be posted on the Group's website.

Best practice provision IV.3.9 TMG is a statutory two-tier entity. The Executive Board is appointed by the Supervisory Board. The Supervisory Board notifies the shareholders of a proposed appointment.

Article 10 of the Takeover Directive/Article 10 of the Takeover Directive decision. For additional information on this subject visit www.tmg.nl, under the section Corporate Governance.

Defensive Measures

For a summary of the defensive measures see Other Information, 6 TMG Preference Shares Trust and TMG Priority Share Management Trust in Other Information.

Executive Board

The Executive Board is appointed by the Supervisory Board. The General Meeting of Shareholders is informed of any planned appointments. The Supervisory Board generally cannot dismiss a member of the Executive Board before the general meeting of shareholders has been consulted about the planned dismissal and the member of the Executive Board has been given the opportunity to answer to the General Meeting of Shareholders.

Subject to the provisions of the articles of association, the Executive Board is responsible for the management of the company, which includes responsibility for the realisation of the company's objectives, strategy and policy, and the developments of the result arising from this. The Executive Board may comprise one or more members. The number of members is determined by the holders of priority shares. The current Executive Board comprises Geert-Jan van der Snoek, Chairman (CEO), and Leo Epskamp, Financial Director (CFO).

The members of the Executive Board of Telegraaf Media Groep N.V. are employed on the basis of a four-year engagement contract (in accordance with the Code's provisions), that can be terminated early by either party. They are appointed as statutory directors of Telegraaf Media Groep for coinciding four-year periods.

For newly appointed members to the Executive Board a three-month period of notice applies in the event of the early termination of the engagement contract by the Executive Board member him/herself. A three-month period of notice also applies to the early termination of the engagement contract by Telegraaf Media Groep N.V. The engagement contract each time terminates by operation of law upon the expiry of the four-year period specified under Best Practice Provision II.1. At least six months prior to the expiry of the above-referenced four-year term, Telegraaf Media Groep N.V. shall inform the Executive Board member by e-mail or in some other written form as to whether or not the engagement contract will be continued after the expiry of the four-year period. In the event that such notice is not provided, the condition that applies is that the engagement contract will not be continued after the expiry of the four-year period.

Supervisory Board

The Supervisory Board supervises the Executive Board's policies and the general course of affairs of the company. Furthermore, the Supervisory Board assists the Executive Board with advice, at the request of the Executive Board, as well as on its own initiative.

Members of the Supervisory Board are appointed by the General Meeting of Shareholders on the recommendation of the Supervisory Board. The General Meeting of Shareholders and the Works Council can recommend persons for nomination to the Supervisory Board. The Central Works Council has a so-called strengthened right of recommendation for a third of the members on the Supervisory Board.

The Supervisory Board comprises at least three natural persons who are appointed by the General Meeting of Shareholders on the recommendation of the Supervisory Board. The recommendations are based on a publicly available profile prepared by the Supervisory Board concerning its size and composition. The nature of the company, its activities and the desired expertise and background of the supervisory directors is taken into account in this respect. For a third of the number of supervisory directors the condition that applies is that the Supervisory Board shall place a person recommended by the Central Works Council on the list of nominations, unless the Supervisory Board objects to such nomination pursuant to law.

The number of supervisory board memberships of each Supervisory Board member is legally limited and cannot be more than five, whereby the chairmanship of a supervisory board counts double. This number of five pertains to so-called large companies domiciled in the Netherlands. Membership on the Supervisory Board or the Executive Board of a foreign company does not count in this number.

In its current form, the Supervisory Board comprises five persons and consists of Mr Michiel A.M. Boersma, Ms Annelies G. van den Belt, Ms Simone G. Brummelhuis, Mr Jan J. Nooitgedagt and Mr Guus A.R. van Puijenbroek.

The General Meeting of Shareholders (AGM)

The AGM is held at least once a year. The AGM's agenda at a minimum shall include the Annual Report, the adoption of the Financial Statements, the dividend policy and the policy on reserves, and a proposal concerning the appropriation of profit. In addition, the meeting will vote on granting discharge to the members of the Executive Board and to the members of the Supervisory Board. Shareholders or holders of depositary receipts for shares that represent at least one percent or a value of at least € 50 million or more can request that an item be added to the agenda in writing.

Articles of Association

The AGM can take a decision to amend the Articles of Association with a simple majority based on a proposal submitted by the holders of the priority shares.

Issue of Shares

The AGM can appoint the holders of priority shares as the competent body authorised to issue shares. In the AGM of 24 April 2014, the holders of priority shares were appointed as the competent body authorised, with the exception of pre-emptive rights, to issue shares, including the granting of rights to acquire ordinary shares. This authority is granted until 1 July 2016 and covers all unissued ordinary shares up to a maximum of half of the authorised capital, now or at some time in the future.

Purchase of Own Shares

Own shares can only be purchased if the AGM has authorised the Executive Board accordingly with due consideration to the provisions contained in the articles of association. The AGM of 24 April 2014, authorised the Executive Board to purchase its own shares or depositary receipts for shares listed on the stock exchange or otherwise for a period of eighteen months. The authorisation is limited to at most one tenth of the issued share capital on the date of the AGM in 2014 (24 April), at a price not lower than the nominal value and not higher than 10% above the average closing prices of the depositary receipts for ordinary shares published in the NYSE Euronext's Daily Official List during the five consecutive days prior to the date of purchase.

INTEGRATED REPORTING NOTES

This year TMG took a first step towards integrated reporting. This report covers the ambition, vision, strategy and policy related to TMG's performance and sustainable development. The report covers the activities related to this over the period 1 January 2014 up to and including 31 December 2014.

Scope

All TMG business units in the Netherlands and abroad fall within the scope and boundaries of this report. For the scope of the financial performance, see the explanatory notes to the consolidated financial statements. In terms of the non-financial performance, TMG only reports on the business units in which it holds an interest of more than 50%. These data furthermore do not pertain to any stakeholders in the supply chain, such as customers or suppliers, for example. In the first quarter of the reporting period, MegaStar's printing plant in France was closed. Aside from this there were no significant changes to the organisation's structure or property.

Material Sustainability Aspects

A set of twenty material sustainability aspects are addressed in this report. These material sustainability aspects form part of the strategic CSR themes established in 2013. The sustainability aspects are determined by combining the interests of TMG's stakeholders with the impact that these sustainability aspects have on TMG's business success. The common priorities are identified as material sustainability aspects for TMG.

Importance to Stakeholders	Important	Very Important
Very Important	√ Sustainable newsprint √ Reduction in residual materials √ Employee safety √ Support for social events √ Healthy working conditions	√ Structural stakeholder dialogue √ Transparent business operations √ Sustainable procurement √ Sustainability reporting √ Focus on talent
Important	√ Sustainable distribution mileage √ Ink efficiency √ Alignment with external schedules and systems √ Participation in non-profit activities √ Reduction in digital environmental impact	√ CO_2 reduction (GHG Scope 1 & 2) √ Reduction in energy consumption √ Paper efficiency √ Reuse of residual materials √ Supply chain partnerships

Impact on TMG's Business Performance

TMG Materiality Matrix

The strategic CSR themes have not changed in comparison to last year. In 2015, the material sustainability aspects and the associated KPIs and objectives will be refined and adopted, in part through means of the stakeholder's dialogue.

GRI

This integrated report is furthermore based on the fourth generation guidelines of the Global Reporting Initiative (GRI G4). These guidelines are applied at the core level. This means that reporting is based on the GRI indicators that are material to TMG's business operations. The GRI Table identifies the location of the relevant GRI indicators (disclosures) in this report. The GRI Table can be found at http://tmg.nl/duurzaamheid.

Sustainability Data

The same definitions used last year once again apply this year. The methodology was adjusted in several areas. In 2014, a first step was taken in optimising the collection and calculation of non-financial data by interfacing with existing systems or making use of better systems. This process will continue to be pursued in 2015.
The CO_2 emission factors are no longer based on the SKAO data, but on the data available on the CO_2emissiefactoren.nl website, an initiative of various organisations, including SKAO. This website provides a clear list of core CO_2 emission figures, which facilitates comparison between organisations.

Where possible, the quantitative information in this report is compared with comparable figures from previous years. The data is calculated on the basis of data obtained from the responsible business units, departments and staff departments. The data originate from different recording systems. Where data are estimated this is clearly indicated in the text. Estimates are based on historical data or on an extrapolation based on the first ten to eleven months of the year. The data were verified for plausibility and trends by the responsible officers.

This report is the first step of TMG towards integrated reporting. The annual report reports on strategic, financial and non-financial performance.

The non-financial information contained in this report has not been subjected to an audit (nor to any other form of assurance review) by the external auditor.

We look forward to receiving your feedback on our report. Questions or comments should be sent to: corporatecommunication@tmg.nl.

COMPOSITION OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

Executive Board as at 31 December 2014:
Geert-Jan (G.J.E.) van der Snoek (1965), CEO as of 1 July 2014

Geert-Jan van der Snoek was appointed CEO effective 1 July 2014. He began his career as a naval officer and in 1995 transferred to the business sector. As a consultant and in his position as Director with companies such as KPMG and Merx Enterprises, he managed a large number of new businesses and change management projects in the media, financial services and retail sectors, among others at Schuitema and Getronics. Before he joined TMG, he was CEO of the NDC Media Group. Van der Snoek completed his MBA at Groningen University.

Leo (L.N.J.) Epskamp (1962), CFO as of 1 September 2014

Leo Epskamp was appointed CFO effective 1 September 2014. He has a great deal of experience in the media world. He occupied various financial positions at Reed Elsevier and as partner and auditor at KPMG managed a number of national and international teams in the media sector. His last position prior to his appointment at TMG was CFO of the NDC Media Group. He studied economics at the University of Amsterdam and is a registered accountant.

Supervisory Board as at 31 December 2014:
Michiel (M.A.M.) Boersma (1947), Chairman of the Supervisory Board, Chairman of the Selection and Appointment Committee, member of the Remuneration Committee and delegated Supervisory Board member from 5 April 2013 to 1 July 2014.

The Supervisory Board appointed Mr Boersma as delegated supervisory board member until a successor to Mr Cees van Steijn, CEO ad interim, could be appointed. Mr Boersma was in particular charged with the supervision of the TMG Executive Board. Mr Boersma is a Dutch citizen. During the period 2003 - 2009, Mr Boersma was Chairman of the Executive Board of Essent N.V. First TMG term of appointment: 2011-2015. Key supervisory board/ancillary positions: member of the Supervisory Board of PostNL, Chairman of the Supervisory Board of VieCuri Medisch Centrum, member of the Board of Electrica S.A., Romania, and member of the Board of NYNAS AB, Sweden. In addition, Mr Boersma is endowed Governance professor at the Tias Business School in Tilburg, the Netherlands.

Annelies (A.G.) van den Belt (1965), member of the Audit Committee.

Ms Van den Belt (Dutch nationality) is CEO of DC Thomson Family History. Prior to this she occupied positions with SUP Media (CEO), ITV broadband (Director), Media and Telegraph Group Limited (Director) and she was the publisher of Independent Press Moscow and Men's Health and Playboy Russia. First TMG term of appointment: 2014-2018. Ms Van den Belt does not hold any other supervisory board/ancillary positions.

Simone (S.G.) Brummelhuis (1965), member of the Audit, Remuneration, and Selection and Appointment Committees.

Ms Brummelhuis (Dutch nationality) is the publisher of The Next Women. She occupied various positions, including with Europe Astia (Vice President), IENS (Director) and the law firms Loeff Claeys Verbeke and Skadden, Arps, Slate Meagher & Flom (New York). First TMG term of appointment: 2014-2018. Key supervisory board/ancillary positions: Advisory Board ECE Ondernemerscentrum Erasmus University, Advisory Board XS4all and European Advisory Board Astia.

Jan (J.J.) Nooitgedagt (1953), Vice-chairman of the Supervisory Board, Chairman of the Audit Committee and the Remuneration Committee, and member of the Selection and Appointment Committee.

Mr Nooitgedagt (Dutch nationality) was CFO and member of the Executive Board of Aegon N.V. from April 2009 to May 2013. Prior to this he occupied various positions with Ernst & Young, including Managing Partner for the Netherlands and Belgium. First TMG term of appointment: 2013-2017. Key supervisory board/ancillary positions: Chairman of the Supervisory Board of SNS Reaal N.V., member of the Supervisory Board of BNG Bank N.V. and Robeco N.V., member of the Management Board of the Kasbank Share Administration Trust, member of the AFM's Financial Reporting and Accountancy Committee and member of the Audit Committee of the Ministry of Security and Justice.

Guus (R.) van Puijenbroek (1975), Secretary of the Supervisory Board, member of the Audit, Remuneration, and Selection and Appointment Committees.

Mr Van Puijenbroek (Dutch nationality) is director of VP Exploitatie N.V. First TMG term of appointment: 2012-2016. Key supervisory board/ancillary positions: member of the Supervisory Board of Batenburg Techniek B.V. and non-executive director of Billboard Technology Industries N.V.

the mission of

WERNER BUDDING

As a little boy, Werner Budding used to wait by the letterbox for the latest edition of Autovisie. Now he himself is the ambassador for the most important media brand in the automotive market. "We have so many opportunities to continue to develop. That's where our strength lies." ▸▸▸

'AUTOVISIE ALWAYS OFFERS OPPORTUNITIES'

Name: Werner Budding
Age: 42
Position: car journalist Autovisie/De Telegraaf
Brand: Autovisie

"As a child, Friday was my favourite day of the week, because that's when Autovisie was delivered. It was the magazine. I was obsessed by cars, and wanted to know all about them. I collected yearbooks, for example, containing all the models marketed that year, and learned all the specifications off by heart. That passion was kindled by my father, who himself was a car journalist. Or a car tester, as I called him. That's what I wanted to be when I grew up.
That dream has come true. I've been able to turn my passion into my profession and I now work for the best automotive magazine in the Netherlands. And even though the media landscape is changing drastically, our brand still sets the trend. We do so because of our good image and reputation, and especially because of our successful approach to new cross-media initiatives. The magazine is as strong as ever, but it's the combination with the Telegraaf brand which offers us so many opportunities.

"I've turned my passion into my profession"

To begin with, we can reach a broad audience in print, online and also on radio and TV. However, as an ambassador for such a leading media brand, I also get a warm welcome from competitive media, such as other radio stations. It opens many doors in the professional field, giving me access to the most important people in the automotive industry.

So much to say

I'm ambitious. I want to be the best in my profession. That's why I need to be here. There is so much to say about cars and everything related to them, and I can communicate to people on so many different platforms. It's that variation which makes my job fun. I can get people excited about the latest models of cars, while at the same time introducing other important developments in the automotive world. This might concern economic issues or political developments with regard to taxes, for example.
I've developed that broad orientation over the years. But what I still really enjoy is to be the first to drive a new model and the first to write about it. I travel all over the world for 180 days a year to do so. It's a great privilege. I always want to go that one step further. There are 10 million people with driving licences in the Netherlands. And although they don't all share my passion for cars, I still recognise enough opportunities to bring this subject across to people in various ways, whether it's the emergence of new Chinese car brands, or a phenomenon such as Max Verstappen, who is to make his début in Formula 1 in 2015. Everywhere I go, I see chances to develop my work and Autovisie in the future. Reaching even more people with my passion is what drives me."

REPORT BY THE SUPERVISORY BOARD

In 2014, in addition to the regular themes, the Supervisory Board primarily focused on the changed market conditions and TMG's strategy. The Board is confident that with the measures that have been taken and the refined strategy, TMG is on course.

The media landscape is changing. Consumers are increasingly more often opting for online media instead of print, and national advertisers are increasingly shifting their budgets from print to TV and online. To be able to decisively respond to the rapidly changing consumer behaviour and the shifts in the media landscape, the Supervisory Board decided to renew and strengthen the Executive Board.

Meetings of the Supervisory Board.

During the past year, the Board met with the Executive Board during regularly planned meetings thirteen times, one of which was by phone. In addition to the regularly planned meetings, there were five additional meetings with the Executive Board, two of which were by phone. On average, 94% of the members of the Supervisory Board were present during these meetings. During these meetings they regularly discussed the general, financial and operational state of affairs of Telegraaf Media Groep and its subsidiaries.

It should be evident that the renewed Executive Board has certain ideas and insights into the strategic focus and course to be pursued. We discussed this extensively with the Executive Board during a number of strategic sessions, whereby we devoted a great deal of attention to the difficult market in which TMG operates. Various strategic dilemmas were addressed during these discussions, including the transition from print to digital. This trend in consumer behaviour requires innovation, and proactive entrepreneurship. A strong digital offer on the basis of our powerful brands is the only way in which to maintain and reinforce the long-term relationships with our consumers. The changed media use among consumers and advertisers was extensively discussed. A focus on the key brands offers TMG more opportunities to capitalise on existing value and competencies within the organisation. The dilemmas related to the financial performance of the underlying products and the condition of the ICT environment were extensively discussed as well.

Topics such as mergers and acquisitions, disinvestments, potential partnerships and the status of the reorganisation were also on the agenda. The Board also discussed topics such as risk management, governance and HR. A special topic in 2014 was the appointment of the new Executive Board. In addition, we were regularly informed by the Executive Board about important trends in the media sector. The Supervisory Board devoted specific attention to the collaboration between the Executive Board and the Supervisory Board. The number of meetings together with the Executive Board has been increased since the end of 2013. In this context, the Supervisory Board took a look at the desirability of instituting a one-tier-board and acquired external advice on this subject. It was decided not to institute a one-tier-board. This is not required to increase the Supervisory Board's involvement. This goal can also be achieved in other ways; for example through more frequent meetings with the Executive Board.

On 8 January 2015, in a meeting of the Executive Board with the Chairman and Vice-chairman of the Supervisory Board, the performance of the Executive Board was evaluated. The Chairman and the Vice-chairman verbally reported on the results of their meeting in the Board's meetings.

Several informal meetings were held between the Supervisory Board and the Central Works Council (CWC), and with the day-to-day management of the CWC during the reporting year. In addition, the Supervisory Board met 7 times in the absence of the Executive Board. These meetings generally took place following the termination of the regular meeting of the Supervisory Board. During these meetings the composition and performance of the Executive Board and the Supervisory Board, the adjustment and progress of the strategy were being pursued, and the organisational changes were discussed. Two of our members attended four CWC meetings and two other meetings during 2014. In addition, the Board informally met with the CWC on one occasion.

During the 2014 General Meeting of Shareholders, Cees van Steijn, CEO ad interim, bade farewell to TMG. Fred Arp, member of the Executive Board since July 1997, stepped down effective 1 November 2014. We are extremely grateful to both for their devotion and contributions.

The termination arrangement agreed upon with Mr Arp is recorded under chapter 'Remuneration of executive board en supervisory board members' in the Financial Statements.

The Supervisory Board was regularly kept informed of the activities of the Chairman, Michiel Boersma, in his role as delegated Supervisory Board member during the period of 5 April 2013 to 1 July 2014. On average, this task occupied one and a half days per week. Activities primarily consisted of discussions with the Executive Board and internal and external stakeholders. After 1 July 2014, the Chairman relinquished his tasks as delegated supervisory board member.

Ms Margriet Tiemstra, and Messrs Joop Drechsel and Daniël Ropers stepped down as Supervisory Board members during the General Meeting of Shareholders of 24 April 2014. The Board would like to express its sincere appreciation to Ms Tiemstra and Messrs Drechsel and Ropers for their contribution and devotion during the time they served as members of TMG's Supervisory Board. Ms Annelies van den Belt and Ms Simone Brummelhuis were appointed as Supervisory Board members during this same meeting.

The Supervisory Board complies with the independence criteria of Best Practice Provision III 2.1 of the Corporate Governance Code. Mr Guus van Puijenbroek is considered an independent supervisory director in accordance with the aforementioned criteria.

Committee Meetings

Audit Committee

The Audit Committee is a permanent and preparatory Committee of the Supervisory Board. The Audit Committee consists of Messrs Jan Nooitgedagt (Chairman), Guus van Puijenbroek, Ms Annelies van den Belt and Ms Simone Brummelhuis. The Audit Committee held seven regular meetings with the Executive Board, the external auditor Deloitte and TMG's staff heads of Internal Audit, and Corporate Finance and Administration. One of these meetings was conducted by phone. Average attendance at these meetings was 98%. Topics discussed included TMG's annual, semi-annual and quarterly figures, the press releases, the 2015 budget, the internal risk management and control system and its actual implementation, the status of operational and strategic risk management, the audit findings and the follow-up on prior audits, the management letter and improving the tone at the top through means of workshops. In addition, the lack of sufficient automated controls and the In Control Statement were discussed. Specific topics discussed during these meetings were, among other things, the cash flow forecast versus the bank covenants, the management letter and potential impairments.

Remuneration Committee

The Remuneration Committee is a permanent and preparatory Committee of the Supervisory Board. The Remuneration Committee consists of Jan Nooitgedagt (Chairman), Michiel Boersma, Simone Brummelhuis and Guus van Puijenbroek. The Remuneration Committee met eight times in 2014. Four of these meetings were held jointly with the Selection and Appointment Committee. Attendance at these meetings was 100%. The non-exclusive list of topics discussed during the meetings included the remuneration of the Executive Board for 2014, the remuneration of Supervisory Board members, the Executive Board's remuneration policy, the Long-term Incentive Plan for the Executive Board, and the joint and individual objectives of the members of the Executive Board for 2015.

Selection and Appointment Committee

The Selection and Appointment Committee is a permanent and preparatory Committee of the Supervisory Board. The Selection and Appointment Committee consists of Michiel Boersma (Chairman), Jan Nooitgedagt, Guus van Puijenbroek and Simone Brummelhuis. The Committee met nine times in 2014.

Attendance at these meetings was 100%. The non-exclusive list of agenda items discussed during these meetings included the composition of the Supervisory Board, the composition of the Executive Board, the appointment of a new CEO and CFO, and new management team members.

Composition of the Executive Board and the Supervisory Board

New legislation went into effect in 2013, concerning the balanced composition of the Executive Board and the Supervisory Board. Pursuant to this legislation at least 30% of board members must be male and at least 30% must be female. The composition of the Supervisory Board meets these percentages. In appointing Mr Van der Snoek and Mr Epskamp in 2014, their knowledge of and experience in the media sector, management experience and experience gained with change and restructuring initiatives was decisive. An active search for female candidates was conducted, however no qualified female candidates were found. In making new appointments to the Executive Board, the Supervisory Board will strive for a balanced and appropriate composition. All relevant criteria will be included in this process. TMG aims to appoint women to higher management positions who in the future can advance to the Executive Board. An active HR policy will be developed for this purpose in which succession planning will fulfil an important role.

Word of Thanks and Presentation of the Annual Report

2014 was a year with challenging market conditions and many organisational changes designed to better prepare TMG for the future. This has required a great a deal of effort from many. We would like to thank TMG's Executive Board and employees for the manner in which they discharged their duties in 2014.

We hereby present the report, the balance sheet as at 31 December 2014 and the income statement for 2014 with explanatory notes, as compiled by the Executive Board. The financial statements have been audited and approved by Deloitte Accountants B.V. in Amsterdam, as stated in the auditor's report included in this annual report.

We discussed the financial statements at the annual meeting with the auditor, after which we signed the financial statements to comply with our legal obligation pursuant to Article 2:101 paragraph 2 of the Dutch Civil Code.

We recommend that:

1. The 2014 financial statements be approved as set out in the documents presented.
2. The Executive Board be granted discharge for the policies pursued in 2014.
3. The Supervisory Board be granted discharge for the supervision conducted in 2014.

Amsterdam, 10 March 2015

On behalf of the Supervisory Board

Michiel Boersma, Chairman

REMUNERATION POLICY FOR EXECUTIVE BOARD AND SUPERVISORY BOARD MEMBERS

Remuneration Policy for the Executive Board
The remuneration policy can be viewed on TMG's website (www.tmg.nl). The remuneration structure was amended during the Meeting of Shareholders of 24 April 2014. The following stipulations apply in a general sense:

1. The objective is to be able to attract and retain top executives for Telegraaf Media Groep N.V.'s Executive Board.
2. The remuneration policy for the members of Telegraaf Media Groep N.V.'s Executive Board is adopted by the General Meeting of Shareholders (AGM) on the recommendation of the Supervisory Board.
3. The remuneration of the individual members of the Executive Board is set by the Supervisory Board within the boundaries of the remuneration policy adopted by the AGM.

In accordance with best practice provision II.2.8 of the Dutch Corporate Governance Code a provision for a severance payment is included in the engagement contract of newly appointed members to the Executive Board. The severance payment applies in the event of the early termination of the engagement contract by Telegraaf Media Groep N.V. This severance payment is established in accordance with the neutral Subdistrict Court Formula, last amended on 30 October 2008, on the understanding that Factor B, in variance from the Subdistrict Court Formula, is equal to one fixed gross monthly salary payment (and therefore not increased by fixed and agreed upon wage components nor by any variable wage components) and that the severance payment will never be more than a total of a maximum of 12 gross fixed monthly salary payments as specified in the previous sentence.

The pensionable age of new members of the Executive Board is the State Pension (AOW) age and members of the Executive Board are entitled to participate in the Stichting-Telegraafpensioenfonds 1959 (Telegraaf Pension Fund Foundation). This pension scheme is an average salary pension scheme with a surviving dependants' pension on an accrual basis.

The remuneration of the members of the Executive Board is structured as follows:

1. The remuneration of the members of the Executive Board comprises a fixed and a variable component.
2. The fixed component ('basic salary') consists of the annual salary and the vacation allowance paid in 12 equal instalments.
3. The variable short-term component consists of a maximum of 50% of the basic salary, 60% of which is determined on the basis of the degree to which the collective objectives of the Executive Board are

realised and 40% on the basis of the degree to which the individual objectives of the relevant member of the Executive Board are realised. In addition, the Supervisory Board may decide to award an additional bonus and shall render account of any such award at the Annual General Meeting of Shareholders. The variable remuneration as described in this paragraph is paid in cash.

4. In setting the remuneration of the individual members of the Executive Board, the Supervisory Board takes various factors into account within the framework of the general remuneration policy, such as the required competences, skills, as well as the responsibilities of the relevant director. In addition, the potential impact on the pay ratios within the company are taken into account.
5. A proposal for a variable remuneration component will be submitted to the General Meeting of Shareholders of 23 April 2015.

Telegraaf Media Groep N.V. does not provide any personal loans, guarantees and the like to members of the Executive Board unless this forms part of the company's normal conduct of business and then subject to the same conditions that apply to the entire personnel complement and after approval by the Supervisory Board.

The Supervisory Board each year decides on any adjustment and/or indexation of the fixed remuneration component. In terms of the variable component, the Executive Board each year formulates draft objectives for the next financial year and submits these to the Supervisory Board. These are in part focused on the long-term objectives of TMG and its affiliated companies, and are in accordance with the company's risk profile.

The 2014 objectives for Mr Van der Snoek consisted of strategic, financial, HR and communication-related and operational objectives. Mr Epskamp's objectives were primarily financial in nature. The objectives set for Mr Arp, former CFO, were comparable.

Remuneration Policy for the Supervisory Board

The remuneration of the Supervisory Board was amended during the Meeting of Shareholders of 24 April 2014, with retroactive effect to 1 January 2014. The remuneration of the Chairman of the Supervisory Board was increased from € 38,364 to € 45,000 per year. The remuneration of the other members of the Supervisory Board was increased from € 33,252 to € 35,000 per year. The remuneration of the Chairman of the Audit Committee is € 6,500 and the remuneration of the other members of the Audit Committee is € 5,500 per year. The remuneration of the Chairman of the Remuneration Committee and of the Chairman of the Selection and Appointment Committee is € 6,000 and the remuneration of the other members of these committees is € 5,000 per year.
The new remunerations will be indexed annually on the basis of the CPI index. Incurred expenses are reimbursed separately.

the mission of

JAAP VAN DUIJN

Nonsensical statements, statistics and around the block with the dog are the ingredients for Jaap van Duijn's weekly column. "Half an hour of typing and it's on paper."

'I WANT TO CORRECT NONSENSE'

Name: Jaap van Duijn
Age: 71
Position: columnist
Brand: De Financiële Telegraaf

"I still follow all the share prices and whatever's going on in the economy, even though I've retired. The fact that I have my own investments and also my weekly column for DFT forces me to keep up. Of course I could follow what other journalists write but I refuse to depend on someone else. Whatever I write has got to be correct. And there's a lot of nonsense out there, you know. Ministers are good at that, as are chairmen of the board and journalists. They often lack the perspective of the historical context. When I read things that don't make sense, I want to correct them in my column. I generally get on my racing bike or go around the block with the dog to think about my approach and vocabulary. And then I type for an hour and it's done.

"I've had many a sleepless night in my career"

What I really like about working for De Financiële Telegraaf is that my column reaches so many readers. I was recently approached by a man in the supermarket, who asked 'Aren't you Mr Van Duijn? I always read your piece first. You describe things so clearly that even my wife understands'. I'm not sure what that says about his wife but that's why I do it: to boost the economic know-how of my readers.

Climbed mountains

I didn't know how the investment world worked in the beginning. I like to compare it with my sporty side. I've run marathons, climbed mountains and skated the long-distance Elfstedentocht race, but while I could justifiably call myself an experienced expert after finishing the latter in 1986, it doesn't work that way in investments. I started investing at the age of 18, using my first salary from the bank where I worked. It was a case of 'let's get rich quick', but it didn't work: I lost half my money. With hindsight, it's the best thing that ever happened to me. It made me more aware of financial risks and how to deal with them, though economic developments will always be unpredictable. I'm 71 now and I still don't know exactly how it works.

After studying economics, I taught as a professor in Delft. In due time, I switched to 'the real work': managing money at Robeco. That was by far the best but also the most difficult time of my life. In the end, I had 24 billion guilders in my portfolio, an enormous responsibility that really kept me absorbed. In the second half of the 1990s, it was one big party at work as the prices continued to soar. When the prices dropped following the attacks of 11 September 2001, I had many a sleepless night. I just kept thinking, 'when will this stop?' It didn't. You'd rather not be in that situation at such moments, but, looking back, I'm glad that I also experienced those restless years. It's pretty much like the Elfstedentocht really: while you're skating, all you want to do is reach Leeuwarden. You don't appreciate what you've done until the finish. I get that same feeling when receiving compliments in the supermarket."

TMG FINANCIAL STATEMENTS 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

In thousands of euros	Note	**2014**	2013
Continued operations			
Revenues	4	**512,701**	542,230
Other operating income	5	**2,165**	88
Total income		**514,866**	542,318
Raw and auxiliary materials	6	**38,263**	42,656
Personnel costs	7	**181,719**	231,454
Depreciation, amortisation and impairment losses	8	**77,475**	31,392
Other operating expenses	9	**248,809**	247,162
Total operating expenses		**546,266**	552,664
Operating result		**-31,400**	-10,346
Result from associates	10	**-5,137**	230,344
Financial income	10	**240**	178
Financial expenses	10	**-2,261**	-4,593
Financial income and expenses		**-7,158**	225,929
Result from continued operations before tax		**-38,558**	215,583
Income tax	11	**-494**	-4,985
Result from continued operations		**-38,064**	220,568
Discontinued operations			
Net result from discontinued operations after tax	13	**-23**	-42,694
Net result for the year		**-38,087**	177,874
Net result attributable to:			
Shareholders of Telegraaf Media Groep N.V.		**-33,806**	177,597
Non-controlling interest		**-4,281**	277
Net result for the year		**-38,087**	177,874
Earnings per share			
Result attributable to shareholders of ordinary shares Telegraaf Media Groep N.V.	24	**-33,806**	177,597
Weighted average number of ordinary shares	24	**46,350,000**	46,350,000
Basic and diluted earnings continued operations per share (EUR)		**-0.73**	4.75
Basic and diluted earnings per share (EUR)		**-0.73**	3.83

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	Note	**2014**	2013
Net result for the year		**-38,087**	**177,874**
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains and losses on defined-benefit plans	27	-1,850	-3,093
Income tax		463	773
		-1,387	**-2,320**
Items that may be reclassified to profit and loss			
Changes in fair value financial instrument (available for sale)	10	-	218,275
Realisation of fair value changes financial instrument	10	-	-218,275
		-	-
Other comprehensive income net of tax		**-1,387**	-2,320
Total comprehensive income for the year		**-39,474**	175,554
Result attributable to:			
Shareholders of Telegraaf Media Groep N.V.		-35,145	175,301
Non-controlling interest		-4,329	253
Total comprehensive income for the year		**-39,474**	**175,554**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 december

In thousands of euros	Notes	**2014**	2013
ASSETS			
Non-current assets			
Intangible assets	14	**249,431**	309,440
Property, plant and equipment	15	**58,103**	67,540
Investments in associates	16	**159**	334
Deferred tax assets	29	**38,862**	34,507
Other receivables	17	**2,279**	2,343
Total non-current assets		**348,834**	414,164
Current assets			
Inventories	18	**6,651**	7,088
Tax receivables	12	**2**	-
Trade and other receivables	19	**69,703**	84,728
Cash and cash equivalents	20	**41,260**	41,311
Assets classified as held for sale	21	**8,806**	9,060
Total current assets		**126,422**	142,187
Total assets		**475,256**	556,351
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital		**11,588**	11,588
Other reserves		**247,131**	287,198
Attributable to equity holders Telegraaf Media Groep N.V.	22	**258,719**	298,786
Non-controlling interests	25	**-8,018**	-2,164
Total shareholders' equity		**250,701**	296,622
Liabilities			
Interest-bearing loans and borrowings	26	**21,623**	28,531
Post-employment benefit liabilities	27	**8,703**	8,976
Provisions	28	**274**	-
Deferred tax liabilities	29	**19,132**	20,251
Total non-current liabilities		**49,732**	57,758
Interest-bearing loans and borrowings	26	**8,986**	9,192
Accounts payables and other current liabilities	30	**132,499**	150,256
Provisions	28	**28,279**	40,869
Tax payables	12	**4,143**	742
Liabilities classified as held for sale		**916**	912
Total current liabilities		**174,823**	201,971
Total liabilities		**224,555**	259,729
Total equity and liabilities		**475,256**	556,351

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros	Notes	**2014**	2013
Cash flow from operating activities			
Net result for the year		**-38,087**	177,874
Adjustments for:			
Depreciation of property, plant and equipment	15	**10,691**	12,499
Amortisation of intangible assets	14	**17,829**	23,463
Impairment losses intangible assets	14	**42,906**	29,126
Impairment losses property, plant and equipment	8	**6,049**	5,423
Net financing costs	10	**2,021**	4,468
Gain on sale of property, plant and equipment	5	**-2,165**	-88
Share in result investments accounted to the ‘equity’ method	10	**-**	-12,224
Other result from associates	10	**5,137**	-212,238
Income tax	11	**-491**	-11,371
		43,890	16,932
Change in inventories		**437**	6,648
Change in trade and other receivables		**14,145**	-5,384
Change in accounts payable and other current liabilities		**-17,236**	-21,937
Change in provisions and post-employment benefit liabilities		**-13,307**	-6,161
		27,929	-9,902
Interest received		**232**	240
Interest paid		**-893**	-3,310
Income taxes paid		**-3,139**	-2,493
Net cash from operating activities		**24,129**	-15,465
Cash flows from investing activities			
Dividends received		**-**	70,693
Investments in intangible assets	14	**-5,613**	-5,772
Investments in property, plant and equipment	15	**-7,403**	-16,896
Acquisition of associated companies		**-299**	-
Divestment of associated companies		**-**	390,565
Disposal of operation, net of cash disposed of		**-1,449**	-503
Divestments of intangible assets	14	**2,975**	-
Divestments of property, plant and equipment		**1,160**	473
Net cash used in investing activities		**-10,629**	438,560
Cash flows from financing activities			
Dividends paid	23	**-**	-301,275
Redemption of borrowings		**-9,316**	-88,879
Change in non-controlling interests		**-3,831**	-
Net cash used in financing activities		**-13,147**	-390,154
Net decrease in cash and cash equivalents		**353**	32,941
Cash and cash equivalents at 1 January		**41,311**	9,062
Change cash and cash equivalents for assets held for sale		**-404**	-692
Cash and cash equivalents at 31 December		**41,260**	41,311

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Notes	Issued capital	Treasury shares	Other reserves	Total	Non-controlling interests	Total shareholders' equity
		Attributable to equity holders of Telegraaf Media Groep N.V.					
Balance as at 1 January 2013		11,938	-13,670	426,492	424,760	-2,417	422,343
Net result for the year		-	-	177,597	177,597	277	177,874
Other comprehensive income for the year, net of income tax	22	-	-	-2,296	-2,296	-24	-2,320
Total comprehensive income for the year		-	-	175,301	175,301	253	175,554
Dividends paid to shareholders	23	-	-	-301,275	-301,275	-	-301,275
Repurchase of own shares	23	-350	13,670	-13,320	-	-	-
Balance as at 31 December 2013		11,588	-	287,198	298,786	-2,164	296,622
Net result for the year		**-**	**-**	**-33,806**	**-33,806**	**-4,281**	**-38,087**
Other comprehensive income for the year, net of income tax	22	**-**	**-**	**-1,339**	**-1,339**	**-48**	**-1,387**
Total comprehensive income for the year		**-**	**-**	**-35,145**	**-35,145**	**-4,329**	**-39,474**
Dividends paid to shareholders	23	**-**	**-**	**-**	**-**	**-**	**-**
Acquisition of minority interest		**-**	**-**	**-4,922**	**-4,922**	**-927**	**-5,849**
Change in non-controlling interests		**-**	**-**	**-**	**-**	**-598**	**-598**
Balance as at 31 December 2014		**11,588**	**-**	**247,131**	**258,719**	**-8,018**	**250,701**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contents

1. Significant accounting policies

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

The consolidated financial statements of the Company for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as TMG) and jointly controlled entities and TMG's interest in associates.

The financial statements have been compiled by the Executive Board, and have together with the Supervisory Board been signed on 10 March 2015.

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

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

Changes in accounting policies
The accounting policies have been applied consistently for the years 2014 and 2013 as presented in these consolidated financial statements except for the following. Within January 2014 the following changes in IFRS guidelines are mandatory. The consequences of these new standards are as follows:

Amendments IFRS 10, IFRS 12 and IAS 27 Investment Entities
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial statements. A subsidiary recognised as an investment is valued at fair value.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
This amendment clarifies the accounting for contributions made by employees or third parties to defined benefit plans that are linked to services to defined benefit plans, based on whether those contributions are dependent on the number of years of services of the employee. Contributions independent of the years of service, may be recognised as a reduction of the service costs, in the period in which the related service is rendered.

IAS 32 Financial instruments
Offsetting financial assets and liabilities are mainly changes in presentation. This amendment clarifies the meaning of "currently has a legally enforceable right to set-off". IAS 36 Recoverable amount disclosures for non-financial assets This amendment clarifies the required disclosure of the recoverable amounts of assets for which an impairment loss has been recognised or reversed during the period.

IAS 36 Impairment losses current assets
This amendment clarifies the disclosure on recoverable amount of assets with an impairment loss.

IAS 39 Financial instruments
This amendment provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria.

IFRIC 21 Levies
The interpretation clarifies in which circumstances levies imposed by governments needs to be recognised as a liability. IFRIC 21 also clarifies the accounting of a levy when the timing and amount are certain.

For now the changes has no impact on financial position and accounting policies of TMG. Where necessary the disclosure and presentation will change in accordance with IFRS guidelines.

Changes in presentation

The presentation of, and certain terms used in, the statement of financial position, statement of comprehensive income and certain notes has been changed in 2014 to provide additional and more relevant information. Also changes in effective IFRS guidelines have resulted for it. Certain comparative amounts have been reclassified to conform to the current period presentation. For example onerous contracts (2013: 1,757) and disputes (2013: 4,000) were separately presented as in 2013 as tax payables, account payables and other current liabilities. In 2014 are those, including comparative figures 2013, presented as provisions.

Critical accounting estimates and judgements

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

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

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

- business combinations (discount rate and future cashflows – see note 3);
- intangible assets (useful life, discount rate and impairment – see note 14);
- property, plant and equipment (useful life - see note 15);
- trade receivables (impairment - see note 19);
- post employment benefit liabilities (discount rate and actuarial assumptions - see note 26);
- restructuring provision (the amount of severance payments and severance alternatives - see note 27);
- deferred income tax assets - and liabilities (rate and recoverability deferred tax - see note 28).

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

Basis of consolidation

The consolidated financial statements of TMG comprise the company and all of its subsidiaries. The consolidation is based on the valuation and the accounting principles of the parent company.

Subsidiaries

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

Profit and Loss and each component of other comprehensive income are attributed to the owners of the subsidiary or ots non-controlling interests.

Joint arrangements

Investments in joint arrangements are classified as joint operations or joint ventures, depending on contractual rights and obligations of the investor and not based on the legal structure of the joint arrangement. At joint arrangements has TMG joint control, control bonded legally and in which strategic decisions are taken by unanimous consent. The consolidated financial statements include TMG's proportional share of the entities assets, liabilities, revenues and expenses with items of a similar nature on a line-by-line basis, from the date that joint control commences until the date that joint control ceases. Investments in joint ventures are valued at equity method.

A joint operation is a joint arrangement wherby the parties hthat have joint control of the arrangement have rights to the asstes, and obligations for the liabilities, relating to the arrangement.For activities under joint operations the following will be recognised in relation to its interest in a joint opeeration:

- its assts and liabilities; and
- its share of the revenue and its share of any expenses.

Associated companies
Associates are those entities in which TMG has a significant influence, but no control, over the financial and operating policies. Subsidiaries and joint arrangements are no associated companies. The consolidated financial statements include TMG's share of the total result of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases.

TMG's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include TMG's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of TMG, from the date that significant influence or joint control commences until the date significant influence or joint control ceases. Impairment is accounted for immediately in the statement of profit and loss. When TMG's share of losses exceeds its interest in the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that TMG has incurred legal or constructive obligations or made payments on behalf of an associate.

Transactions eliminated on consolidation
Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of TMG's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. The results of the subsidiaries acquired or disposed of during the financial year are included in the consolidated financial statements as of or till the effective transaction date. If necessary, changes are made to the figures of subsidiaries to align the accounting principles with those of TMG.

Foreign currency
Foreign currency transactions
Transactions in foreign currencies are translated into Euros at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Euros at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated at the exchange rate applying on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Euros at foreign exchange rates ruling at the dates the fair value was determined.

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

Intangible assets
Goodwill
Goodwill represents amounts arising on acquisitions of subsidiaries, associates and joint arrangements.

The consideration of a subsidiary, joint arrangement or associate is equal to the amount paid for the acquisition of the interest.

In respect of acquisitions, goodwill represents the difference between the cost of the acquisition and the fair value of the identifiable assets liabilities and contingent liabilities acquired. Goodwill is stated at cost less any accumulated impairment losses.

Goodwill is attributed to cash generating units and is not amortised. Instead, it is tested annually for impairment (see accounting policy impairments). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Whenever an interest in a subsidiary, associate or joint arrangement is sold, the corresponding goodwill is included in the determination of the result of the transaction. Negative goodwill that arises during an acquisition is included directly in the statement of profit and loss. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

Other intangible assets
Other intangible assets concern licences, (internally developed) software, trademarks and publishing rights. The other intangible assets acquired by TMG are stated at cost less accumulated amortisation and impairment losses (see accounting policy impairments). Expenditure for development activities, whereby the research results are applied to a plan or design for the production of new or substantially improved products and processes, are capitalised if the product or process is technically and commercially feasible can be separately identified, the expenses are estimated reliably, and TMG has sufficient resources to complete the development.

The capitalised costs comprise the cost of material, direct labour and an appropriate proportion of overheads. With regard to the capitalised internal hours, a legal reserve is stated. Other development expenditure is recognised in the statement of profit and loss as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortization and impairment losses.

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

Borrowing costs
Borrowing costs are capitalised on qualifying assets.

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

The estimated useful lives are as follows:

- trademarks and publishing rights 5 - 20 years
- licences 6 years
- software 3 - 5 years

The amortisation method and estimated useful lives are assessed annually.

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

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

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

Borrowing costs
Borrowing costs are capitalised on qualifying assets.

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

The estimated useful lives are as follows:

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

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

Other receivables
Prepaid operational leases comprise the purchased leaseholds of the land of the campus of Amsterdam. These are amortised on a straight-line basis over the duration of the leaseholds concerned. Non-current receivables are initially recorded at fair value less attributable transaction costs. They are then capitalised at amortised cost, whereby a difference between the cost and the redemption amount on the basis of the effective interest method is included in the statement of profit and loss over the duration of the receivables.

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

Securities
Investments in debt instruments and shares
Financial instruments held for trading are classified as current assets and are stated at fair value, with any gain and loss recognised in the statement of profit and loss.

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

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

TMG does not apply hedge accounting.

Trade and other receivables
Trade and other receivables are stated at initial recognition at fair value. Subsequent to initial recognition are stated at amortised cost less impairment losses.

Cash and cash equivalents
Cash comprises cash balances and call deposits.

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

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

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

When a decline in the fair value of an available for sale financial asset has been recognised directly in the shareholders' equity, and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of profit and loss, even though the financial asset has been derecognised. The amount of cumulative loss that is recognised in the statement of profit and loss is the difference between the cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of profit and loss.

Calculation of recoverable amount
The recoverable amount of TMG's investments in securities held to maturity and receivables valued at the amortised cost of acquisition is calculated as the present value of the expected future cash flows, discounted at the original effective interest rate (i.e. the effective interest calculated at the time at which these financial assets are initially entered). Receivables with a short residual term are not discounted to the present value.

For the other assets and associates, the realisable value is the fair value less cost to sell, or the value in use if this is higher. When determining the value in use the present value of the estimated future flows is calculated using a pre-tax discount rate that reflects both the current market valuations of the time value of money and the specific risks related to the asset. For an asset that generates no cash receipts which are significantly independent of those of other assets, the realisable value is determined for the cash generating unit to which the asset belongs.

Reversal of impairment
An impairment loss for a security held to maturity or a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

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

Issued capital
TMG's ordinary shares are designated as the company's equity.

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

Changes in non-controlling interests
Changes in TMG's ownership interests in subsidiaries that not result in a loss of control over the subsidiary are accounted for as equity transactions. The carrying amounts are adjusted accordingly. Any difference between the amount by which non-controlling interests are adjusted and the fair value paid or received is recognised directly in equity.

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

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost, with any difference between cost and redemption value being recognised in the statement of profit and loss over the period of the borrowings on an effective interest basis.

Post-employment benefit liabilities

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

a. defined benefit plans

TMG's net obligation in respect of defined benefit plans is calculated separately for each scheme by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of plan assets are deducted hereon. The discount rate is the yield as at the balance sheet date on credit rated bonds of at least AA, that have maturity dates approximating to the terms of TMG's obligations. The calculation is performed by a certified actuary using the 'projected unit credit' method.

In respect of actuarial gains and losses that arise while calculating TMG's obligation in respect of a plan, the effect of the changes in asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur.

Where the calculation results in a benefit for TMG, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized as an expense in the statement of financial position on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss. The result ensuing from the curtailment or termination of a defined benefit plan is incorporated in the statement of profit and loss immediately when the curtailment or termination exists. The result consists of service costs and net interest expense and /or –income. Other changes are stated in the financial position.

b. defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the statement of profit and loss as incurred.

Industry wide pension funds of which no reliable information is available, are stated as a defined contribution plans.

Provisions

A provision is recognised in the statement of financial position when TMG has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic assets will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the specific risks related to the liability.

Restructuring provision

A provision for restructuring is recognised when TMG and the works council have approved a detailed and formalised restructuring plan and the restructuring has either commenced or has been announced publicly. TMG has no possibility to withdraw the reorganisation plan. Termination benefits are recognised as an expense when TMG is demonstrably committed to either terminating the employment of current employees and/or function categories. To the extent they can be reliably estimated, benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

Onerous contracts

TMG recognises a provision for an onerous contract when total contract costs exceed the economic benefits expected to be received from the contract.

Accounts payable and other current liabilities

Accounts payable and other current liabilities are stated at fair value. Subsequent to initial recognition is valuation at amortised cost.

Determination of fair values

A number of TMG's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Intangible assets

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

Property, plant and equipment

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

Trade and other receivables

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

Derivatives

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

Assets and liabilities classified as held for sale

The fair value of assets and liabilities held for sale is based on discounted future cash flows or market observations and/or a taxation of a broker which valued the expected price.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Revenue

The revenues exclude value added tax and are after discounts. Revenues from the sale of goods are recognised in the statement of profit and loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenues relating to services provided are included in the statement of profit and loss in proportion to performance in the same financial year. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or when there is continuing management involvement with the goods.

Barter transactions

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

If the fair value of the received goods or services cannot be reliably determined, the revenue is determined on fair value of the exchanged goods or services plus or minus cash or assets which can be converted into cash, on short term.

Government grants

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

Expenditure

Lease payments

Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of profit and loss as an integral part of the total lease expense.

Minimum lease payments from financial leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability. Conditional lease payments are incorporated by revising the minimal lease payments during the remaining lease term as soon as the adaptation of a lease is confirmed.

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

A change in valuation of financial instrument through profit and loss is stated as financial income and expense.

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

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

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

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

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

The following temporary differences are not provided for: non tax-deductible goodwill, the initial recording of assets or liabilities which affect neither the commercial nor the fiscal profit, and differences related to investments in subsidiaries in so far as these are probably not going to be settled in the foreseeable future.

The amount of the provision for deferred tax liabilities is based on the way in which the carrying amount of the assets and liabilities is expected to be realised or settled, with the tax rates being used as determined on the balance sheet date, or to which a material decision has already been taken on the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

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

Assets classified as held for sale and discontinued operations
Assets classified as held for sale are available for direct sale and sale is highly probable. On the assets related liabilities are classified as liabilities held for sale. From the moment classified as held for sale, the assets are not depreciated anymore.

On initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of the carrying amount and fair value less costs to sell. For the valuation, if necessary, external valuation took place. Impairment losses on held for sale are included in the statement of profit and loss, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement.

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

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

Cash flow statement

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

New accounting standards and interpretations not yet adopted

Certain new standards, amendments to standards and interpretations are not mandatory and therefore are not early adopted in these financial statements.

The following standards are applicable as from 1 January 2015 (unless otherwise stated) and will then be adopted by TMG:

Amendments

IFRS 11 Accounting for acquisitions of interest in joint operations (effective on or after 1 January 2016)

IAS 16/IAS 38 Clarification of acceptable methods of depreciation and amortisation (effective on or after 1 January 2016)

IAS 16/IAS 41 Agriculture: bearer plants (effective on or after 1 January 2016)

Amendments to IFRS annual improvements to IFRS 2011-2013 Cycle

TMG expects that the adoption of these new standards, amendments to standards and IFRIC interpretations in the future will not have significant impact for the financial statements of TMG.

2. Segment reporting

	TMG Landelijke Media		Holland Media Combinatie	
In thousands of euros	**2014**	2013	**2014**	2013
Continued operations				
Revenues from third-party transactions	**271,998**	293,637	**113,754**	120,950
Intercompany transactions	**6**	111	**2**	1
Total revenues	**272,004**	293,748	**113,756**	120,951
Segment result before depreciation, amortisation and impairment losses	**15,236**	25,420	**6,473**	274
Total depreciation, amortisation and impairment losses	**3,381**	3,601	**1,541**	1,733
Operating result	**11,855**	21,819	**4,932**	-1,459
Result from associates	**-5,130**	81	**-**	-
Financial income	**48**	52	**-**	-
Financial expenses	**-86**	479	**-**	-
Income tax	**-1,917**	-5,830	**-824**	650
Net result from continued operations	**4,770**	16,601	**4,108**	-809
Net result from discontinued operations after tax	**-**	-	**-**	-
Net result for the year	**4,770**	16,601	**4,108**	-809
Segment assets	**132,787**	111,663	**72,935**	48,981
Investments in associates	**159**	334	**-**	-
Total assets at 31 December	**132,946**	111,997	**72,935**	48,981
Segment liabilities	**50,145**	82,652	**22,059**	21,279
Total liabilities at 31 December	**50,145**	82,652	**22,059**	21,279
Segment investments	**2,134**	9,116	**522**	872
Total investments	**2,134**	9,116	**522**	872
Restructuring costs	**-**	-	**-**	-
Impairment losses intangible assets	**-**	-	**-**	-
Impairment losses property, plant and equipment	**-**	-	**-**	-
Other material non-cash items	**-**	-	**-**	-
Average number of fte	**820**	904	**665**	749

Operating segments
The group comprises the following main operating segments:
TMG Landelijke Media: The publishing of national newspapers, magazines, print-related internet activities and video productions.
Holland Media Combinatie: The publishing of regional newspapers, free door-to-doorpapers and print-related internet activities.
Sky Radio Group: The operation of several radio stations in the Netherlands.
Keesing Media Group: The publishing of puzzle booklets within Europe.
Facilitating services: Other activities include, amongst others, the printing and distribution of newspapers, providing of office space and related facilities.

Sky Radio Group		Keesing Media Group		Facilitating services		Headoffice/Eliminations		Total	
2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
36,796	40,248	**67,982**	67,009	**22,033**	20,126	**138**	260	**512,701**	542,230
3	-51	**92**	6	**117,666**	131,457	**-117,769**	-131,524	**-**	-
36,799	40,197	**68,074**	67,015	**139,699**	151,583	**-117,631**	-131,264	**512,701**	542,230
15,892	15,058	**19,190**	13,716	**5,288**	7,571	**-16,004**	-40,993	**46,075**	21,046
51,904	10,800	**4,906**	5,218	**12,982**	10,021	**2,761**	19	**77,475**	31,392
-36,012	4,258	**14,284**	8,498	**-7,694**	-2,450	**-18,765**	-41,012	**-31,400**	-10,346
-	-	**-**	-277	**-**	-	**-7**	230,540	**-5,137**	230,344
1	-26	**190**	123	**-**	-	**1**	29	**240**	178
-1,118	-1,360	**-206**	-162	**-**	-	**-851**	-3,550	**-2,261**	-4,593
-1,267	-539	**-3,580**	-1,878	**2,170**	794	**5,912**	11,788	**494**	4,985
-38,396	2,333	**10,688**	6,304	**-5,524**	-1,656	**-13,710**	197,795	**-38,064**	220,568
-	-	**-**	-	**-**	-	**-23**	-42,694	**-23**	-42,694
-38,396	2,333	**10,688**	6,304	**-5,524**	-1,656	**-13,733**	155,101	**-38,087**	177,874
78,573	132,630	**154,984**	159,131	**58,814**	66,541	**-22,996**	37,071	**475,097**	556,017
-	-	**-**	-	**-**	-	**-**	-	**159**	334
78,573	132,630	**154,984**	159,131	**58,814**	66,541	**-22,996**	37,071	**475,256**	556,351
46,633	57,583	**34,418**	35,094	**9,978**	10,815	**61,322**	52,306	**224,555**	259,729
46,633	57,583	**34,418**	35,094	**9,978**	10,815	**61,322**	52,306	**224,555**	259,729
991	1,358	**1,193**	1,363	**4,665**	8,240	**3,437**	1,718	**12,942**	22,667
991	1,358	**1,193**	1,363	**4,665**	8,240	**3,437**	1,718	**12,942**	22,667
1,212	795	**-74**	4,138	**-**	-	**-924**	32,075	**214**	37,008
40,929	-	**-**	-	**-**	-	**1,977**	-	**42,906**	-
-	-	**99**	-	**5,950**	2,700	**-**	-	**6,049**	2,700
42,141	795	**25**	4,138	**5,950**	2,700	**1,053**	32,075	**49,169**	39,708
103	104	**277**	309	**328**	387	**148**	132	**2,341**	2,585

Headoffice/Eliminations In 2013 segment online activities is discontinued. The results from these discontinued operations are stated under Headoffice eliminiations (see further note 13).

Segment information is presented in respect of TMG's business and geographical segments. The segment results are based on the organisational management structure used within TMG and the nature of the publishing activities. On a monthly basis, results are reported to the Executive Board to make decisions about performance and allocation of resources within the publishing segments. The facilitating activities such as printing and distribution are reviewed at Head office and not allocated to operating segments. The intersegment pricing, principally the printing and distributing of newspapers and the support of IT projects and -infrastructure, are determined at arm's length basis. The intercompany financing is unallocated. Segment results, assets and liabilities include items directly attributable to the segment as well as, those that can be allocated on reasonable basis.

The decline in revenues at TMG Landelijke Media and Holland Media Combinatie is caused by lower advertisement - and circulation revenues. The decline in revenues at Sky Radio Group is due to a lower spot sales, as a result of lower radio audience share at Radio Veronica. The operating results at Keesing Media Group rose due to lower restructuring costs, which were necessary in 2013 due to the closure of print plants in France. The operating result in France increased. At facilitating services the increase in revenues is the result of insourcing distribution activities of de Persgroep Nederland. The restructeringcosts of the other FTE reductions are reported at Headoffice. The investments of a segment include the total cost incurred during the reporting period for the acquisition of assets of the segment which are expected to be in use for more than one reporting period.

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

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

		2014
In thousands of euros	**Revenues**	**Non-current[1] assets**
The Netherlands	**452,597**	**268,306**
Other countries	**60,104**	**41,666**
Total	**512,701**	**309,972**

1 With the exception of deferred tax assets.

		2013
	Revenues	Non-current[1] assets
The Netherlands	482,309	336,408
Other countries	59,921	43,249
Total	542,230	379,657

1 With the exception of deferred tax assets.

Van de omzet en van de vaste activa in overige landen heeft respectievelijk 42,577 (2013: 42,092) en 41,400 (2013: 42,993) betrekking op puzzelactiviteiten in Frankrijk.

3. Business combinations

In 2014 and 2013 no acquisitions of subsidiaries or operations occurred.

4. Revenues

In thousands of euros	**2014**	2013
Circulation	**273,653**	280,069
Advertisements	**174,952**	199,935
Print third parties	**3,489**	3,170
Distribution	**18,459**	16,824
E-commerce	**18,436**	22,957
Video productions	**5,309**	7,014
Other activities	**18,403**	12,261
Total	**512,701**	542,230

The revenue of 512,701 (2013: 542,230) includes barter transactions of 5,541 (2013: 4,384). The other activities increased by the growth of digital bundles by printing companies and the iPad mini proposition of De Telegraaf.

5. Other operating income

In thousands of euros	**2014**	2013
Net gain on fixed assets	**2,165**	88
Total	**2,165**	88

The gain on sale on fixed assets in 2014 consists of the sale of the intellectual property of My Radio as well as the sale of several properties of Holland Media Combinatie.

6. Raw and auxiliary materials

In thousands of euros	**2014**	2013
Paper and ink	**36,265**	40,776
Auxiliary materials	**1,998**	1,880
Total	**38,263**	42,656

7. Personnel costs

In thousands of euros	Notes	**2014**	2013
Wages and salaries		**128,418**	141,257
Compulsory social security contributions		**21,064**	22,911
Contributions to pension schemes	27	**11,838**	13,767
Other personnel costs		**20,185**	16,511
		181,505	194,446
Restructuring costs	28	**214**	37,008
Total		**181,719**	231,454

The average number of employees (FTE) is 2,341 (2013: 2,585), of which 201 (2013: 233) in foreign countries. The wages and salaries, compulsory social security contributions and other personnel costs declined mainly due to the outflow of employees as a result of the cost reduction programme. As a consequence also the compulsory social security contributions and the contributions to pension schemes declines. In 2013 the other personnel costs included a one time release caused bij harmonisation of the jubilee plan. Furthermore the costs of temporary personnel increased in 2014. In 2013 were additional measures announced to decline the amount of FTE which caused a addition of 37.008 to the restructuring provision.

8. Depreciation, amortisation and impairment losses

In thousands of euros	Notes	**2014**	2013
Depreciation	15	**10,691**	10,612
Impairment losses property, plant and equipment	15	**6,049**	2,700
Amortisation	14	**17,829**	18,080
Impairment losses intangible assets	14	**42,906**	-
Total		**77,475**	31,392

Impairment losses of property, plant and equipment in 2014 and 2013 are mainly related to lower valuation on properties classified as assets held for sale. Furthermore in 2014 an impairment loss is recognised on reduction of the production capacity. This will be effected in the last six months of 2015.

The impairment losses intangible assets concerns an impairment on goodwill relating to the brands of Sky Radio Group and an impairment on software.

9. Other operating expenses

In thousands of euros	**2014**	2013
Transport and distribution costs	**77,053**	80,063
Subcontracted work and technical production costs	**37,042**	37,051
Sales costs	**34,536**	29,307
Editorial costs	**17,585**	17,807
Cost of goods sold e-commerce	**16,716**	19,594
Impairment of trade receivables	**2,506**	1,819
Other operating expenses	**63,371**	61,521
Total	**248,809**	247,162

The transport and distribution costs decreases due to cost savings in own distributing activities and discontinuance of free daily newspaper Spits. The sales costs increased by the sales- and promotionactivities around Word Cup football and Radio Veronica, brandcampaign and tabloid introduction of De Telegraaf.

The other operating expenses of 63,371 (2013: 61,521) consist of IT expenses 22,687 (2013: 20,688), housing expenses 12,876 (2013: 12,779) and other general expenses 27,808 (2013: 28,054). A decrease in other operating expenses is realised due to less employees.

10. Financial income and expense

In thousands of euros	**2014**	2013
Result from associates		
ProSiebenSat.1 Media AG		
Share in result associated company	**-**	12,224
Realised change in fair value financial instrument	**-**	218,275
Result from ProSiebenSat.1 Media AG	**-**	230,499
Other result from associates	**-5,137**	-155
Result from associates	**-5,137**	230,344
Financial income	**240**	178
Financial expenses	**-2,261**	-4,593
Total	**-7,158**	225,929

In 2014 Ticketsplus B.V., ZOOM.IN Nederland B.V. and Cammio GmbH, all part of the segment Landelijke Media, were sold. The loss from these disposals amounted to 4,902 and is recognized under participations.

The share in results 2013 of ProSiebenSat.1 Media AG amounted 12,224 and is only recognised until August 19. On August 19 2013, the 12% shares with voting rights of TMG in ProSiebenSat.1 Media AG were converted to quoted shares. On September 6 2013, TMG completed the sale of its ordinary shares in ProsiebenSat.1 Media AG.

11. Income tax

In thousands of euros	Notes	**2014**	2013
Current tax			
Current year		**6,172**	4,540
Adjustment from prior years		**-745**	264
Deferred tax			
Origination and reversal of temporary differences	29	**-5,918**	-16,175
Total income tax		**-491**	-11,371
Hereof:			
Income tax from continued operations		**-494**	-4,985
Income tax from discontinued operations	13	**3**	-5,213
Income tax from realised sale discontinued operations	13	**-**	-1,173
Income tax from discontinued operations		**3**	-6,386
Total income tax		**-491**	-11,371

	2014	2013
Result from continued operations before tax	**-38,558**	215,583
Result from discontinued operations before tax	**-20**	-44,386
Loss on sale from discontinued operations before tax	**-**	-4,694
Result before tax	**-38,578**	166,503
Tax rate in the Netherlands	**25.0%**	25.0%
Income tax based on Dutch tax rate	**-9,645**	41,626
Effect of tax rate in foreign jurisdictions	**-980**	-1,299
Non-deductible expenses	**9,968**	5,895
Results of associates exempt from income	**944**	-57,439
Tax exempt results	**20**	140
Advantage from unrecognised prior losses carried forward	**-5**	-301
Tax facilities	**-48**	-257
Over (-)/ under provided prior years	**-745**	264
Total	**-491**	-11,371

Results of associates exempt from income in 2014 relates mainly to the non-deductible losses on the sale of ZOOM.IN Nederland B.V., Ticketsplus B.V. and Cammio Gmbh. The exemption in 2013 mainly relates to the share in the result of ProSiebenSat.1 Media AG. In particular, the gain on the sale of the 6% interest ProSiebenSat.1Media AG. The non-deductible expenses in 2014 and 2013 mainly concern the impairment losses on intangible assets (2013: included in discontinued operations).

Reconciliation of the effective tax rate

The effective tax rate on the result from all activities was 1.3% in 2014 (2013: -6.8%).The relationship between the tax rate in the Netherlands and the effective tax rate on income from total operations is as follows:

In percentages	**2014**	**2013**
Dutch income tax rate	**25.0**	25.0
Tax effects of:		
Deviating rates	**2.5**	-0.8
Tax-exempt results and non-deductible costs	**-28.2**	-31.2
Other effects	**1.9**	0.2
Effective tax rate	**1.3**	-6.8

12. Current tax assets and liabilities

At balance sheet date 2 was to be recovered over the reporting period and previous periods (2013: nil). The current tax liability of 4,143 (2013: 742) represents the income tax to be paid over current and prior years after deduction of payments.

13. Discontinued operations

In 2013, TMG decided, as a result of a strategic review to discontinue, to sell or held for sale non print related online activities. Herewith the segment online is discontinued. At year-end 2014, only Relatieplanet.nl is still held for sale (see note 21).

In thousands of euros	**2014**	2013
Intangible assets	**-**	4,798
Property, plant and Equipment	**-**	262
Trade and other Receivables	**-**	1,776
Cash and cash equivalents	**-**	332
Accounts payables and other current liabilities	**-**	-1,862
Total assets and liabilities	**-**	5,306
Amounts to be paid	**-**	-299
Loss on disposal of discontinued operations	**-**	-5,605
Cashflow from of sold activities		
Cash disposed of	**-**	-332
Amounts to be paid	**-**	-299
	-	-631
Payable at balance date	**-**	128
Net cash outflows	**-**	-503

In thousands of euros	Notes	**2014**	2013
Result discontinued operations			
Revenues		**2,846**	12,042
Wages and salaries		**503**	3,412
Social charges and pension charges		**116**	1,038
Other personnel costs		**181**	818
Restructuring costs	28	**-**	294
Amortisation	14	**-**	5,382
Impairment losses intangible assets	14	**-**	29,126
Depreciation	15	**-**	1,887
Impairment losses property, plant and equipment	15	**-**	2,723
Other operational costs		**2,066**	10,507
Total operating expenses		**2,866**	55,187
Operating result on discontinued operations		**-20**	-43,145
Result associated companies		**-**	-277
Financial income and expenses		**-**	-53
Income tax		**3**	-5,213
Result on discontinued operations		**-23**	-38,262
Results realised on sale discontinued operations		**-**	-5,605
Income tax from realised on sale discontinued operations		**-**	-1,173
Result discontinued operations, net of tax		**-23**	-42,694
Average number of employees (FTE)		**10**	127
Earnings and diluted earnings on discontinued operations per share (EUR)		**-**	-1
Cash flows from discontinued operations			
Net cash from operating activities		**441**	10,187
Net cash used in investing activities		**-37**	-26,281
Net cash used in financing activities		**-**	-
Total net cash flow discontinued operations		**404**	-16,094

14. Intangible assets

In thousands of euros	Notes	Trade names and publishing rights	Licences	Goodwill	Software	Assets under construction	Total
Cost		156,983	46,111	335,733	79,796	516	619,139
Cumulative amortisation		47,879	10,247	4,471	56,871	-	119,468
Impairment losses		19,741	-	104,100	11,474	-	135,315
Carrying amount at 1 January 2013		89,363	35,864	227,162	11,451	516	364,356
Investments		555	-	-	3,610	1,607	5,772
Divestments		-134	-	-	-	-	-134
Reclassification to assets held for sale		-869	-	-1,386	-912	-	-3,167
Disposal held for sale	13	-690	-	-4,057	-51	-	-4,798
Amortisation	8, 13	-10,445	-7,633	-	-5,385	-	-23,463
Impairment losses	8, 13	-6,816	-	-22,310	-	-	-29,126
Assets under construction in use		-	-	-	57	-57	-
Total movements		-18,399	-7,633	-27,753	-2,681	1,550	-54,916
Cost		155,845	46,111	330,290	82,500	2,066	616,812
Cumulative amortisation		58,324	17,880	4,471	62,256	-	142,931
Impairment losses		26,557	-	126,410	11,474	-	164,441
Carrying amount at 1 January 2014		70,964	28,231	199,409	8,770	2,066	309,440
Investments		**-**	**-**	**-**	**3,876**	**1,700**	**5,576**
Divestments		**-549**	**-**	**-**	**-406**	**-**	**-955**
Disposal through sale of subsidiaries		**-885**	**-**	**-3,010**	**-**	**-**	**-3,895**
Amortisation	8, 13	**-6,217**	**-7,663**	**-**	**-3,949**	**-**	**-17,829**
Impairment losses	8, 13	**-**	**-**	**-40,929**	**-1,977**	**-**	**-42,906**
Assets under construction in use		**-**	**-**	**-**	**2,451**	**-2,451**	**-**
Total movements		**-7,651**	**-7,663**	**-43,939**	**-5**	**-751**	**-60,009**
Cost		**107,669**	**46,111**	**250,679**	**52,866**	**1,315**	**458,640**
Cumulative amortisation		**42,358**	**25,543**	**4,471**	**42,098**	**-**	**114,470**
Impairment losses		**1,998**	**-**	**90,738**	**2,003**	**-**	**94,739**
Carrying amount at 31 December 2014		**63,313**	**20,568**	**155,470**	**8,765**	**1,315**	**249,431**

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

The licences relate to the boardcasting rights of Sky Radio Group and concern annual contributions to the Telecom Agency, which are recognised for an amount of 20,568 (2013: 28,231). On 1 September 2011 the licences extended until 1 September 2017. The amortisation period is 6 years. The related non-current liability is accounted for in note 26.

Goodwill through business combinations mainly relates to Sky Radio Group (12,421) and Keesing Media Group (91.201). In addition, 12,000 relates to synergy effects of the Telegraaf Drukkerij Groep resulting from acquisitions. Goodwill is believed to be indefinite and is therefore not amortised. All intangible assets have been acquired externally.

Intangible assets under construction
This includes information systems (partly self-developed) at Telegraaf Media Nederland. The information systems will be in use in 2015.

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

The total carrying value of intangible assets attributed to the cash-generating units as at 31 December 2014 and 2013 is as follows:

Intangible assets

In thousands of euros	**2014**	2013
TMG Landelijke Media	**31,542**	36,784
Holland Media Combinatie	**13,498**	13,818
Facilitating services	**12,000**	12,000
Sky Radio Group	**65,131**	116,965
Keesing Media Group	**124,648**	127,968
Headoffice	**2,612**	1,905
Total	**249,431**	309,440

Goodwill

In thousands of euros	**2014**	2013
TMG Landelijke Media	**26,135**	29,145
Holland Media Combinatie	**12,452**	12,452
Facilitating services	**12,000**	12,000
Sky Radio Group	**12,421**	53,350
Keesing Media Group	**91,201**	91,201
Headoffice	**1,261**	1,261
Total	**155,470**	199,409

The recoverable amount of the cash-generating units is based on the value in use calculation. The cash-generating units are based on operational segments within TMG. Cashflow projections are based on actual operating results and cash flow forecasts, the budget 2015 and the long-term plans up to and including 2016. The cashflows are based on EBITDA, which include expected investments and net working capital. The cashflows after 2017, which are extrapolated on the basis of 0% growth (2013: 0%), are based on economic lifetime. For Sky Radio Group the cashflows are extrapolated based on a 1.5% growth rate (2013: 1.5%), based on latest external information of the radio industry.

The forecast cash flows are calculated based on a pre-tax discount rate of 9.0% (2013: 9.0%). The discount rate and growth factors were determined on the basis of the risk profile for TMG as a whole. These assumptions have been applied to all cash-generating units in TMG. The values assigned to the key assumptions represent management's assessment of future trends in the media industry and are based on both external sources and internal sources (historical data). A modification in assumptions and estimates could have consequences for the recoverable amount of an asset and the expected economic lifetime with an effect on the statement of profit and loss.

In 2014 the impairment on intangible assets amounted 40,929 relating to Sky Radio Group. The performance of Radio Veronica remained under pressure over a prolonged period of time. In 2014 the restyling of the station Radio Veronica, has proven to be unsuccessful. The assets of Sky Radio Group in its current state lead to a structural lower future cashflows. Substantial invesmtens are needed in the radio stations to regain the top position in the radio market of the Netherlands. At balance sheet date these investment plans are still under discussion in terms of size and specific nature.

With the aforementioned developments an important subsequent event needs to be mentioned, more on page 150. The subsequent events involves a ruling of the College van Beroep voor bedrijfsleven (CBb or Dutch Trade and Industry Appeals Tribunal) nvolving radio frequency lot A2 and radio frequency lot of Sky Radio. For the assessment on future cash flows from intangible assets Sky Radio Group it is important to determine the impact of this ruling.

TMG management had prolonged debates regarding the financial consequences of this ruling from the CBb. The annual fee for Radio frequency lot A2 amounts to 3,400. The payment of an annual fee is not open for discussion. The estimate of the amount is not virtually uncertain. Based on analysis, TMG substantially abated the annual contribution. TMG will periodically revalue its position.

		Used	
Growth rate	1%	**1.5%**	2%
Impairment	46,644	**40,929**	34,409
WACC	8%	**9%**	10%
Impairment	31,706	**40,929**	47,748
EBITDA 2017	-1,000	**-**	1,000
Impairment	52,002	**40,929**	29,866
FM licences to pay	10%	**-**[1]	-10%
Impairment	43,851	**40,929**	38,017

1 Since there is a dispute with the government regarding the height of the FM license no explanation is given based on IAS 37.92 as to costs estimated by management about future FM licenses .

In addition to the impairment on goodwill Sky Radio Group in 2014, an impairment on software has been recognised (1,977).

In 2013 the impairment losses on intangible assets amounted 29,126 and concerns discontinued online activities non print related, of among others Relatieplanet, Moviebites and Hyves. Segment is discontinued in 2013.

An increase of 1% of the WACC does not result in an impairment loss at the other segments. In 2013 this also resulted in an impairment loss of nil at all segments. With the following WACC the recoverable amount of all segments is equal to the carrying value: TMG Landelijke Media 25%, Holland Media Combinatie 62% and Keesing Media Group 12%.

15. Property, plant and equipment

In thousands of euros	Notes	Land and buildings	Machines and installations	Other tangible fixed assets	Assets under construction	Total
Cost		169,742	224,781	61,690	6,354	462,567
Cumulative depreciation		134,374	201,677	57,669	-	393,720
Impairment losses		1,903	9	55	-	1,967
Carrying amount at 1 January 2013		33,465	23,095	3,966	6,354	66,880
Investments		1,865	547	7,059	7,424	16,895
Divestments		-171	-7	-207	-	-385
Assets held for sale		-366	-	-	-	-366
Disposal of sold operations	13	-86	-	-176	-	-262
Depreciation	8, 13	-3,847	-5,083	-3,569	-	-12,499
Impairment losses		-	-	-2,723	-	-2,723
Assets under construction in use		695	11,447	378	-12,520	-
Total movements		-1,910	6,904	762	-5,096	660
Cost		173,489	203,953	57,558	1,258	436,258
Cumulative depreciation		140,031	173,945	50,052	-	364,028
Impairment losses		1,903	9	2,778	-	4,690
Carrying amount at 1 January 2014		31,555	29,999	4,728	1,258	67,540
Investments		**869**	**187**	**1,915**	**4,432**	**7,403**
Divestments		**-166**	**-190**	**-352**	**-**	**-708**
Disposal of sold operations	13	**-**	**-**	**-42**	**-**	**-42**
Depreciation	8, 13	**-4,211**	**-4,223**	**-2,257**	**-**	**-10,691**
Impairment losses		**-271**	**-5,026**	**-102**	**-**	**-5,399**
Assets under construction in use		**138**	**2,614**	**29**	**-2,781**	**-**
Total movements		**-3,641**	**-6,638**	**-809**	**1,651**	**-9,437**
Cost		**169,025**	**190,743**	**45,297**	**2,909**	**407,974**
Cumulative depreciation		**138,937**	**162,347**	**38,498**	**-**	**339,782**
Impairment losses		**2,174**	**5,035**	**2,880**	**-**	**10,089**
Carrying amount at 31 December 2014		**27,914**	**23,361**	**3,919**	**2,909**	**58,103**

Property, plant and equipment consist of land and buildings, machines and installations of the printing facility and other equipment. The carrying value is inline with the fair value.

Impairment losses

The impairment losses relates to production capacity of printing facilities. The lower demand for print, results in a review of the required capacity needed. It is determined that capacity can be reduced in 2015.

Assets under construction

The item assets under construction mainly concerns an investment in our printing facility in Amsterdam. This project will be completed in 2015.

16. Investments in associated companies

In percentages	Location	**2014**	2013
Participations			
AM van Gaal Media B.V.	Amsterdam	**20.0%**	20.0%
Autowereld B.V	Amsterdam	**35.0%**	35.0%
Dutch Creative Industry Fund B.V.	Amsterdam	**28.6%**	40.0%
Adventure Holding B.V., at the end of 2013 in liquidation	Zeist	-	33.3%

In thousands of euros	**2014**	2013
Carrying amount		
Autowereld B.V.	**150**	150
Other	**9**	184
Total	**159**	334

Loss making associated companies are valued at nil. All negative results of associates are recorded in the consolidated statement of profit and loss.

17. Other receivables

In thousands of euros	**2014**	2013
Prepaid operational lease	**1,779**	1,905
Non-current receivables	**500**	438
Total	**2,279**	2,343

18. Inventories

In thousands of euros	**2014**	2013
Raw materials	**5,761**	5,295
Auxiliary materials	**201**	260
Other inventories	**689**	1,533
Total	**6,651**	7,088

In other inventories (namely e-commerce) an impairment to fair value of 229 (2013: 676) is included. The carrying amount is equal to fair value.

19. Trade and other receivables

In thousands of euros	**2014**	2013
Trade receivables	**47,616**	59,724
Other receivables	**3,115**	6,655
Prepayments and accrued income	**18,972**	18,349
Total	**69,703**	84,728

Trade receivables are shown net of impairment losses. During the current year, such losses amounted to 2,506 for bad debts (2013: 1,747). For more information see note 31, Financial risk management.

Fair value

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

20. Cash and cash equivalents

In thousands of euros	**2014**	2013
Bank	**41,260**	25,499
Call deposits	**-**	15,812
Total	**41,260**	41,311

At balance sheet date nil (2013: 15,812) was placed in deposits. Bank balances are unrestricted and deposits are available within a week, with the exception of issued bank guarantees see note 34. The fair value is deemed equal to the nominal value.

21. Assets and liabilities held for sale

In thousands of euros	**2014**	2013
Assets		
Intangible assets	**3,204**	3,167
Property, plant and equipment	**4,227**	5,183
Deferred tax assets	**246**	-
Trade and other receivables	**33**	18
Cash and cash equivalents	**1,096**	692
Total	**8,806**	9,060
Liabilities		
Deferred tax liabilities	**406**	217
Accounts payables and other current liabilities	**510**	695
Total	**916**	912

Assets held for sale amounted in 2014 8,806 (2013: 9,060), involves both buildings of facilitating services and Relatieplanet.nl. An impairment loss of 650 (2013: 2,700) occured on the properties. A sales plan is prepared for these buildings and a real estate agent is hired. Early 2014 a preliminary sale agreement is signed concerning the properties. A delay in the sale of these buildings occured, however TMG stays committed in selling these properties.

22. Shareholders' equity

Issued capital

At 31 December 2014 the authorised share capital comprised 99,999,040 ordinary shares, 100,000,000 preference shares and 960 priority shares, which were issued and paid up as follows:

Number of shares		**2014/2013**
	Authorised share capital	Issued and paid up
On issue as at 31 December:		
Ordinary shares	99,999,040	46,350,000
Preference shares	100,000,000	-
Priority shares	960	960

All shares have been paid up and have a nominal value of € 0.25. No preference shares have been issued.

The holders of ordinary shares and priority shares receive a maximum primary dividend of five percent of the nominal amount of the shares. The remaining profit is at the disposal of the meeting of shareholders.

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

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

Repurchased shares
Ultimo 2014 and 2013 TMG had none outstanding repurchased ordinary shares.

23. Dividend

In 2014 TMG did not pay out dividend (2013: € 6.50 per share).

No profits were generated in the financial year 2014, consequently there will be no profits at the disposal of the General Meeting of Shareholders relating to the financial year 2014.

24. Earnings per share

Basic earnings per share
The calculation of the basic earnings per share as at 31 December 2014 is based on the result attributable to ordinary shareholders of -33,806 (2013: 177,597) and a weighted average number of ordinary shares which has been outstanding during 2014 of 46,350,000 (2013: 46,350,000), as shown below:

In thousands of euros	**2014**	2013
Earnings per share		
Result attributable to equity holders of ordinary shares in Telegraaf Media Groep N.V.	**-33,806**	177,597
Weighted average number of ordinary shares	**46,350,000**	46,350,000
Basic earnings per share (EUR)	**-0.73**	3.83

Diluted earnings per share
The calculation of the diluted earnings per share at 31 December 2014 is based on the result attributable to ordinary shareholders of -33,806 (2013: 177,597) and a weighted average number of ordinary shares, after adjustment in line with all potential diluting effects on the ordinary shares, which has been outstanding during 2014, of 46,350,000 (2013: 46,350,000). No shares were diluted in 2014 and 2013.

25. Non-controlling interests

Movements in non-controlling interests is as follows:

In percentages	**2014**	2013
Sienna Holding B.V.	**10%**	10%
Classic FM V.o.f.	**25%**	25%
Groupdeal B.V.	**-**	40%
ZOOM.IN Nederland B.V.	**-**	30%
Ticketsplus B.V.	**-**	25%

In thousands of euros	**2014**	2013
Balance as at 1 January	**-2,164**	-2,417
Share of profit for the year	**-4,281**	277
Movement by other comprehensive income after tax	**-48**	-24
Movement by sale of subsidiaries	**-598**	-
Movement by acquisition of non-controlling interest	**-927**	-
Balance as at 31 December	**-8,018**	-2,164

Movement by purchasing interest is acquistion of remaining outstanding shares of Groupdeal B.V. from 60% to 100% in August 2014. In the first halfyear of 2014 TMG sold its share in ZOOM.IN Nederland B.V. (70%) and Ticketsplus B.V. (75%). These subsidiaries were sold in the first six months of 2014.

26. Interest-bearing loans and borrowings

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

In thousands of euros	**Total**	**Current**	**2014 Non-current**
Interest bearing loans	**11,497**	**-**	**11,497**
Other financing	**19,112**	**8,986**	**10,126**
Total	**30,609**	**8,986**	**21,623**

In thousands of euros	Total	Current	2013 Non-current
Interest bearing loans	11,536	-	11,536
Other financing	26,187	9,192	16,995
Total	37,723	9,192	28,531

In thousands of euros	Currency	Nominal interest rate	Nominal value	Year of maturity	**Carrying amount 2014**	Carrying amount 2013
Interest-bearing loans						
Shareholders loan Veronica Holding B.V. to Sienna Holding B.V.	EUR	4,1% (2013: 4,1%)	8,400	-	**11,497**	11,536
Bank financing – Revolving credit facility	EUR	3-mnths Euribor + 1,50%	-	-	**-**	-
Total					**11,497**	11,536
Other financing						
Non-current liabilities licences Sky Radio Group	EUR	3% (2013: 3,0%)	-	2013-2017	**15,479**	23,219
Acquisition payables	EUR		-	-	**3,489**	2,731
Other non-current liabilities	EUR		-	-	**144**	237
Total					**19,112**	26,187

Terms and debt repayment schedule
For all loans, the effective interest is equal to the nominal interest.

Interest-bearing loans
On 1 November 2012 a bank financing agreement is closed with a consortium of three banks.The facility has a maturity up to three years and consist of an amortised fixed part and a revolving credit facility. The bank financing agreement has market-based convenants limited on 2 times NEBITDA. In addition, interest expense over the relevant period may not exceed 1/5th of NEBITDA. Both conditions are met in 2014. No collaterals have been given for these loans. The bank financing agreement is measured including additional costs. In 2013, the amortised part of the loan is completely repaid. At the end of 2014 the revolving credit facility is not used. The bank financing agreement expires in November 2015 and the extension of this convenant is currently discussed with the banks.

Other financing
The obligations of Sky Radio Group licenses relate to annual payments to the Telecom Agency, prior to 1 September 2017. The annual contributions to the Telecom Agency are cumulated, discounted and classified under other financing for 15,479 (2012: 23,219). The intangible assets are amortised on the contractual period. Interest related to the financial obligation is accounted for as financial burden, where the annual payment is deducted on the long-term obligation. The fair value of the liabilities deviates not materially. Early 2015 the College van Beroep voor het bedrijfsleven (CBb or Dutch Trade and Industry Appeals Tribunal) ruled in the case of FM license permits of Radio Veronica and Sky Radio. For more on this ruling see Subsequent Events.

The acquisition payables includes liabilities concerning the acquisition of Sky Radio Group, Groupdeal and Metro. Related to the acquisition of Metro partial payments will be made untill 2017.

27. Post-employment benefit liabilites

Defined contribution plan

The pension schemes of Sky Radio Group and Keesing Media Group and a part of the Amsterdam and Alkmaar companies of TMG is executed by Stichting-Telegraafpensioenfonds 1959. The pension is a restricted indexated average salary regulation. The only obligation of the employer is the payments of premiums.

Gross commitment for defined benefit pension rights

TMG has a number of defined benefit plans under which a portion of the (former) employees in the Netherlands is entitled to an additional benefit. The arrangements concerns:

defined benefit pension plans

• Additions to pensions (guarantee arrangements).

Workers in service until the end of 2005 and at that time participant in Stichting- Telegraafpensioenfonds 1959, participate in a guarantee arrangement. New employees from January 1, 2006 were excluded of this guarantee plan, where a percentage of the final pay has been guaranteed. End of 2012, the commitment was adjusted such that the effect of future salary growth is excluded, therefore, the scheme is frozen. The scheme is administered at StichtingTelegraafpensioenfonds 1959. Keesing Media Group has a guaranteed indexation scheme. The indexation scheme relates to the annual rise of rights build up with 50% of price inflation and is financed by the employer. The scheme is executed by an insurance company. The final pay plan guaranteed to several employees of Sky Radio Group is discontinued per 2014. The employees join as at 1 January 2015 the scheme of Stichting-Telegraafpensioenfonds 1959 (defined contribution plan). The level of the allowance is depending on seniority. Furthermore there are plans for employess of keesing France to provide a benefit retirement.

• Allowances for the healthcare of pensioners, disability and early retirement supplements.

This scheme will end in the long term, because from 1 january 2006 this scheme is no longer available for new retirees.

As a consequence of termination of the final pay plan of Sky Radio Group and expiration of the early retirement scheme in 2014 settlements are recognised in personell costs at 1,400 (2014: nil).

other personnel benefit plans

• Additions to disability and jubilee benefits. In 2013, the jubilee scheme of TMG Landelijke Media harmonised with Holland Media Combinatie and resulted in a release within the arrangement of 2,189 attributable to profit and loss.

Furthermore, the pension fund 'Pensioenfonds Grafische Bedrijven'(pension scheme for employees in the printing and allied trades), whose regime also qualifies as a defined pension scheme, has informed TMG that they are not able to provide any detailsfor the calculation of (our share in) surpluses and deficits. The plan qualifies as a defined pension scheme but is processed as a defined contribution plan.

TMG is not responsible for any shortfall in an early retirement/pension plan, nor is it required to make up any shortfall. The referenced plan had a coverage ratio below the set by law of 105% at the end of 2013. The pension fund prepared a recovery plan and submitted it to DNB. The coverage ratio of the Pensioenfonds Grafische Bedrijven was at the end of 2014 104.2%, just under the minimum set by law. The possibility that the future pension contributions for the relevant schemes will be increased cannot be precluded.

The principal actuarial valuation assumptions at balance sheet date

In weighted averages	**2014**	2013
Discount rate at 31 December	**1,10% - 2,30%**	3.25%
Duration	**5,6 - 29,3**	5,4 - 14,6
Expected return on plan assets at 31 December	**1.00%**	1.00%
Expected rates of salary increase	**1.00%**	2.00%
Adjustment for inflation	**2.00%**	2.00%
Increase in social security benefits	**1.00%**	2.00%
Mortality table applied	**AG 2014**	AG 2012-2062

The expected return on plan assets is the weighted average expected return, based on the expected investment mix of shares (40%), and fixed-interest securities (60%). The actual return in 2014 amounted between 1.10% and 2.30% (2013: 3.25%) on investments at StichtingTelegraafpensioenfonds 1959.

Developments in the net provision for employment benefit liabilities

In thousands of euros	**2014**	2013
Net provision as at January 1	**8,976**	14,389
Net expense recognised in profit and loss statement	**-137**	-1,214
Net expense recognised to other comprehensive income	**1,850**	3,093
Contributions paid	**-1,986**	-7,292
Total net provision according to balance sheet	**8,703**	8,976
Whereof:		
Pension plans	**4,812**	5,921
Other personnel benefits	**3,891**	3,055
Net provision as at December 31	**8,703**	8,976

Specification of the recognised liability for defined benefit obligations

In thousands of euros	**2014**	2013
Present value of unfunded obligations	**3,891**	7,561
Present value of funded obligations	**12,491**	13,575
Present value of obligations	**16,382**	21,136
Fair value of plan assets	**-12,640**	-20,568
Present value of net obligations	**3,742**	568
Effect on asset ceiling	**4,961**	8,408
Recognised liability for defined benefit obligations	**8,703**	8,976

The effect of the asset ceiling concerns the guarantee arrangement of defined benefit plan. The arrangement is frozen. The receivable is not in right enforceable and therefore an asset ceiling is stated.

Movements in present value obligation of defined benefit pension schemes

In thousands of euros	*Notes*	**2014**	2013
As at 1 January		**21,136**	25,795
Service costs		**516**	502
Past service costs		**356**	-1,963
Result on jubilee plans		**87**	-106
Termination settlement		**-3,316**	-
Interest expenses		**674**	567
Contributions		**821**	1,488
Actuarial losses (gains)		**-1,815**	-402
Payments		**-2,077**	-4,745
As at 31 December		**16,382**	21,136

The decrease of movements in present value obligation is caused by termination of early retirement scheme and a limited final pay scheme at Sky Radio Group.

Movements in fair value of plan assets

In thousands of euros	**2014**	2013
As at 1 January	**20,568**	19,145
Contributions	**2,807**	8,780
Interest on plan assets	**694**	509
Termination settlement	**-1,916**	-
Actuarial results	**-7,385**	-3,081
Addional costs	**-51**	-40
Payments	**-2,077**	-4,745
As at 31 December	**12,640**	20,568

Specification of plan assets

In thousands of euros	**2014**	2013
Property shares	**280**	745
Shares	**1,649**	4,094
Bonds	**3,304**	8,347
Deposits	**162**	113
Plan assets with insurance companies	**7,245**	7,269
As at 31 December	**12,640**	20,568

Effects on assets ceiling

In thousands of euros	**2014**	2013
As at 1 January	**8,408**	7,739
Interest	**273**	255
Actuarial results	**-3,720**	414
As at 31 December	**4,961**	8,408

Recognised in the statement of profit and loss

In thousands of euros	Notes	**2014**	2013
Service costs		**516**	502
Past service cost		**356**	-1,963
Result from jubilee arrangement		**87**	-106
Termination settlement		**-1,400**	-
Additional costs		**51**	40
Total contribution to defined benefit schemes		**-390**	-1,527
Other personnel benefit plan costs		**609**	-2,108
Defined benefit pension plan costs	7	**-999**	581
Total contribution to defined benefit schemes		**-390**	-1,527
Contribution to defined contribution schemes[1]	7	**12,986**	13,469
Costs related to personnel benefit plans		**12,596**	11,942
Interest		**253**	313
Total		**12,849**	12,255

1 *Stated under discontinued operations 29 (2012: 283)*

TMG estimates the contributions to be paid under the defined benefit schemes during 2014 at 11,609 (2014: 14,244), as far as can be estimated reasonably.

Actuarial results recognised in other comprehensive income

In thousands of euros	Notes	**2014**	2013
Effect of changes in economical assumptions on the liabilities		**1,861**	74
Effect of changes in life expectancy		**-41**	-
Effect of experience adjustments on the liabilities		**-3,635**	-476
Rate of return on plan assets (excluding interest income)		**7,385**	3,081
Changes in the effects on assets ceiling (exluding interest expense)		**-3,720**	414
Total		**1,850**	3,093

Sensitivity analyses
The sensitivity analyses below have been determined based on different assumptions. An interval of 0.25% is used. The mutual dependency of the assumptions is excluded.

In thousands of euros	**min 0.25%**	**assumed**	**plus 0.25%**
Discount rate	0,85% - 2,05%	**1,10% - 2,30%**	1,35% - 2,55%
Pension liability year-end	17,016	**16,382**	15,789
Service costs 2014	289	**283**	276
Salary inflation	0.75%	**1.00%**	1.25%
Pension liability year-end	16,322	**16,382**	16,445
Service costs 2014	278	**283**	289
Price inflation	1.75%	**2.00%**	2.25%
Pension liability year-end	16,394	**16,382**	16,370
Service costs 2014	284	**283**	283
Indexation of active members	0.75%	**1.00%**	1.25%
Pension liability year-end	16,438	**16,382**	16,332
Service costs 2014	285	**283**	282
Indexation of inactive members pensions and of pensions in payment	0.75%	**1.00%**	1.25%
Pension liability year-end	15,857	**16,382**	16,943
Service costs 2014	283	**283**	284

28. Provisions

In thousands of euros	**2014**	2013
Restructuring provision	**24,025**	35,112
Onerous contracts	**1,453**	1,757
Disputes	**3,075**	4,000
	28,553	40,869
Non-current	**274**	-
Current	**28,279**	40,869
Carrying value as at 31 December	**28,553**	40,869

Restructuring provision

In thousands of euros	Notes	**2014**	2013
Balance as at 1 January		**35,112**	32,454
Provisions made during the financial year	7	**6,129**	37,517
Release	7	**-5,915**	-215
Recognised in the income statement		**214**	37,302
Provisions used		**-11,301**	-34,644
Balance as at 31 December		**24,025**	35,112

In 2013 additional reduction measures were taken which will lead to a total FTE reduction of 700 at the end of 2014. During 2014 a delay in the restrucuring plan occured, mainly at Holland Media Combinatie. The FTE reduction will be effected during 2015. The termination of Rotomega printing plant in France is completed (Keesing Media Group). The reorganisation plans have the consent of the CWC on main lines, but other parts of the plans still need to be submitted by the individual Works Councils of the relevant subsidiaries. The reorganisation plans are communicated with the TMG employees in several ways, making a justified expectation by the employees that the reorganisation will take place. Different parts of the reorganisation are already set in motion after agreement of the Works Council. The restructering provision concerns the commitments related to job placement services and the discharge of employees at publishers of print products, facilitary companies and headquarters. A change in assumptions and estimates may affect the actual costs of the restructuring, including choice of outflow (buyout or job replacement services), the social plan and time. The current part amounts to 24,025 (2013: 35,112).

Onerous contracts

In thousands of euros	**2014**	2013
Balance as at 1 January	**1,757**	1,159
Provisions made during the financial year	**2,151**	1,122
Recognised in the income statement	**2,151**	1,122
Provisions used	**-2,455**	-524
Balance as at 31 December	**1,453**	1,757

The provision for onerous contracts relates mainly to rented property which is no longer in use. The future lease payments, until the end of contract date, are recognised.

The provision for litigation concerns claims made by third parties against TMG. The disputes have emerged from the ordinary activities of TMG. A further explanation cannot be given due to potential adverse effects for the entity.

29. Deferred tax assets and liabilities

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

In thousands of euros	**Assets**	**Liabilities**	**2014 Balance**
Intangible assets	**-**	**-19,538**	**-19,538**
Property, plant and equipment	**3,046**	**-**	**3,046**
Post-employment liabilities schemes	**962**	**-**	**962**
Provisions	**5,763**	**-**	**5,763**
Carry-forward loss compensation	**29,337**	**-**	**29,337**
	39,108	**-19,538**	**19,570**
Reclassification assets and liabilities held for sale	**246**	**-406**	**-160**
Net tax asset/liability (-)	**38,862**	**-19,132**	**19,730**

In thousands of euros	Assets	Liabilities	2013 Balance
Intangible assets	-	-20,468	-20,468
Property, plant and equipment	1,495	-	1,495
Post-employment liabilities schemes	419	-	419
Provisions	6,514	-	6,514
Carry-forward loss compensation	25,978	-	25,978
Other items	101	-	101
	34,507	-20,468	14,039
Reclassification assets and liabilities held for sale	-	-217	-217
Net tax asset/liability (-)	34,507	-20,251	14,256

Unrecognised deferred tax assets in de statement of financial position

With regard to (start-up) losses of a few subsidiaries, no deferred tax assets were recognised on the balance sheet, because the expectation is that these will not be realised in short time. The collection of the deferred tax asset is depending on future fiscal profits. At the end of 2014, unrecognised deferred tax assets amounted to 2,792 (2013: 2,184).

Movements in temporary differences during the year

In thousands of euros	**Balance 1 January 2014**	**Recognised in income statement**	**Other comprehensive income**	**Other movements**	**(De-) Consolidated**	**Balance 31 December 2014**
Intangible assets	**-20,468**	**1,780**	**-**	**-**	**-850**	**-19,538**
Property, plant and equipment	**1,495**	**1,551**	**-**	**-**	**-**	**3,046**
Post-employment liabilities schemes	**419**	**80**	**463**	**-**	**-**	**962**
Provisions	**6,514**	**-751**	**-**	**-**	**-**	**5,763**
Carry-forward loss compensation	**25,978**	**3,359**	**-**	**-**	**-**	**29,337**
Other items	**101**	**-101**	**-**	**-**	**-**	**-**
Net tax asset/liability (-)	**14,039**	**5,918**	**463**	**-**	**-850**	**19,570**

In thousands of euros	Balance 1 January 2013	Recognised in income statement	Other comprehensive income	Other movements	(De-) Consolidated	Balance 31 December 2013
Intangible assets	-24,627	4,286	-	-127	-	-20,468
Property, plant and equipment	608	887	-	-	-	1,495
Post-employment liabilities schemes	610	-964	773	-	-	419
Provisions	6,345	169	-	-	-	6,514
Carry-forward loss compensation	14,315	11,633	-	30	-	25,978
Other items	-164	164	-	101	-	101
Net tax asset/liability (-)	-2,913	16,175	773	4	-	14,039

30. Accounts payable and other current liabilities

In thousands of euros	**2014**	2013
Subscriptions paid in advance	**39,227**	41,158
Other amounts paid in advance	**4,460**	4,961
Trade payables to suppliers	**20,013**	25,328
Employee benefits payable (holidays/-allowance)	**21,691**	24,333
Other taxes and social security premiums	**14,726**	17,566
Other liabilities and deferred income	**32,382**	36,910
Total	**132,499**	150,256

The drop in trade payables to suppliers is mainly the effect of the cost reduction programme and shorter terms of payments. Other liabilities and deferred income consist of (estimates for) editorial, distribution expenses, other general expenses, returned products and commissions to be paid. The fair value of the liabilities does not differ from the nominal value recognised here.

31. Financial risk management

TMG recognises the market, credit, currency and interest rate risk involved in regular business operations. The current economic situation strengthened the pressure on advertisement revenues, of which TMG is depending on for a significant part. TMG has developed different scenarios to absorb fluctuations in advertising revenues. Part of these scenarios is a cost reduction programme of € 120 million.This program is delayed during the second half of 2014. The planned reorganisation will be realised in the first six months of 2015. The trends in the price of paper can also have a substantial effect on the business result.

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

TMG’s risk management policies are established to identify and analyse the risks faced by TMG, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and TMG’s activities. TMG, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Group Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Executive Board and Audit Committee.

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

Due to the constant pressure on the subscription and advertising revenues of TMG Landelijke Media and Holland Media Combinatie have resulted in an increased cost reduction program in 2013.

TMG has a bank financing facility (see enclosure on interest-bearing loans ans borrowings) which expires at the end of 2015. At composing the annual report 2014 the company is in a advanced stadium to renew the financing agreement. Except for the interest rate swaps, TMG has a policy of not using any forward and swapcontracts and not hedging future contracts.

Credit risks

Credit risk arises principally from TMG's receivables if major customer fails to meet its contractual obligation. The (industry-wide) terms of payment applied, the relatively limited dependence on individual customers and the historical payment behaviour of our customers make it unnecessary to use financial instruments to limit this risk. The majority of the circulation revenues are paid in advance. The credit risk is principally concentrated in The Netherlands. The credit risk improved compared to 2013.

Impairment losses

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

In thousands of euros	Total	Not past due	Past due 30 - 60 days	Past due 60 - 90 days	Past due 90 - 180 days	Past due 180 - 360 days	More than 360 days
Balance as at 31 December 2014	**52,435**	**38,898**	**7,092**	**1,611**	**1,539**	**1,138**	**2,157**
Balance as at 31 December 2013	67,398	51,783	7,281	1,804	2,484	2,293	1,752

The aging improved in 2014. TMG has established an impairment risk provision for estimated losses on trade receivables. The impairment is based on payment arrears and the stipulated payment conditions. Changes in the impairment provision for trade receivables during the year were as follows:

In thousands of euros	**2014**	2013
Balance as at 1 January	**7,674**	8,124
Discontinued operations	**-**	-72
Additions	**2,506**	1,747
Use	**-5,361**	-2,125
Balance as at 31 December	**4,819**	7,674

Currency risk

TMG incurs currency risks to a very limited extent due to activities outside the euro zone, namely Denmark, Sweden and Poland. The net cash in and outflows of entities and their timing is such that no significant currency positions are created as a result. Sensitivity of TMG to foreign exchange rates is therefore very small. At the end of 2014 TMG had no forward contracts. TMG has the policy of responding to significant currency exposures by concluding forward contracts to cover the risks over a period of one year. For an individual entity within TMG, a currency exposure is deemed to be significant if the size of revenue in any calendar month exceeds 500, and the cash flow has a probability of more than 50%.

Interest-rate risk

The most relevant interest-rate risk for TMG involves a mismatch between interest payments and the cash flows from financed assets. End of 2014 TMG is a recipient of interest since the net debt position is more than compensated by the interest bearing cash and cash equivelants position. Given the limited size of the debt position, TMG is hardly sensitive to interest rate fluctuations and therefore nor do they have any significant influence on TMG's financial position

Other market-price risk

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

Liquidity risk

TMG has hardly any liquidity risk given the limited financial liabilities and the liquidity position. Liquidity risk is the risk that TMG will not be able to meet its financial obligations as they fall due. The aim of liquidity risk management is to maintain sufficient liquidity in order, as far as possible, to cover existing and future financial liabilities under normal and difficult circumstances and without incurring unacceptable losses or damaging the reputation of TMG. At balance-sheet date an unsecured 75,000 lending facility is available without expiry date. Interest rate is a three months Euribor with a 1.50% margin. On balance sheet date nil is used. The financing agreement expires in november 2015, momentarily TMG discusses with the banks to renew the financing agreement.

Fair value of financial liabilities
The fair value of financial liabilities are categorised into different levels of the fair value hierarchy:

• Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
• Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
• Level 3 inputs are unobservable inputs (unobservable market activity) for the asset or liability.

The carrying amount of the financial liabilities corresponds to its fair value. The interest-bearing loans and borrowings, trade and other payables are categorised and measured under level 3 (entity-specific measurement). In 2014 and 2013 no transfers occurred between the three levels.

Maturity profile of TMG's financial liabilities:

In thousands of euros	Total	6 months or less	7-12 months	1-2 years	2-5 years	More than 5 years
2014						
Interest-bearing loans and borrowings[1]	**30,959**	**-**	**9,336**	**9,502**	**624**	**11,497**
Trade and other payables	**132,499**	**122,539**	**9,960**	**-**	**-**	**-**
Total	**163,458**	**122,539**	**19,296**	**9,502**	**624**	**11,497**
2013						
Interest-bearing loans and borrowings[1]	38,218	1,299	8,388	8,794	8,201	11,536
Trade and other payables	152,013	139,621	12,392	-	-	-
Total	190,231	140,920	20,780	8,794	8,201	11,536

1 Including interest

Capital management
The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. The Executive Board monitors the return of capital, which TMG defines as the net operating income divided by total shareholders' equity, excluding non-controlling interests. The Executive Board also monitors the level of dividends to ordinary shareholders. From time to time TMG purchases its own shares on the market. Buy and sell decisions are made on a specific transaction basis by the Executive Board within limits set by the Supervisory Board and the annual meeting of shareholders; TMG does not have a defined share-buy-back plan. At the moment there is no share-buy-back plan valid.

32. Off balance sheet assets and liabilities

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

In thousands of euros	**2014**	2013
< 1 year	**23,595**	25,741
1-5 years	**29,095**	45,349
> 5 years	**787**	895
Total	**53,477**	71,985

The operational lease agreements consist of long term obligations related to rent of buildings, lease cars, ICT services and other services. At the end of 2014 TMG has ended the contract with Atos and during 2015 TMG will transition to a new workplace management system provider.

In financial year 2014, an expense of 10,473 was included in the statement of profit and loss for operational leasing (2013: 8,615)

Other off balance sheet liabilities

Telegraaf Drukkerij Groep B.V. has agreements with paper suppliers for which the liabilities within 1 year amount to 12,900 (2013: 16,150) and within 1 and 5 years amount to nil (2013: 12,500). Furthermore an amount of 940 (2013: nil) concerning short term arrangements for ink and print sheets.

TMG has a long term agreement for printing puzzle magazines and newspapers with a third party. The maximum purchase obligation between one and three years is 17,000 (2013: 17,000).

A liability to a supplier, of 3.275 relating to the conversion of the printing facility.

Litigation

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

Off balance sheet assets

Sky Radio Group

On 8 January 2015, the Trade and Industry Appeals Tribunal (CBb) issued a ruling in the legal proceedings instituted by the Sky Radio Group against the State. The lawsuit pertained to the € 20.4-million fee that the Sky Radio Group is required to pay for the FM licensing permit over the period 2011-2017 for the qualified A2 Lot ('Radio Veronica'). The CBb ruled in favour of the Sky Radio Group. The ruling is not open to any appeal or objection. In its ruling the CBb declared Sky Radio Group's appeal to be founded. In addition, the CBb has nullified the regulations attached to the license. Apart from that the permit was upheld.

To determine its position, TMG consulted with various advisors concerning an assessment of the subsequent negotiations and discussions with the State. These consultations also considered the substantive deliberations of the CBb. These considerations do not appear to preclude that the Minister, acting on his own initiative (in his official capacity) may attempt to impose a new financial payment obligation for the use of the A2 Lot. In addition, the CBb furthermore has not ruled whether the A2 Lot should be considered to have a value that is less than or equal to zero. Nor did the ruling specify that the Minister therefore should have set the payment amount to zero.

TMG has furthermore concluded that it is not possible to rule out that the ruling, in an indirect way, could have negative implications for Sky Radio Group. This is related to the consideration that the Minister can decide whether the current radio permits at the end of their current term will once again be extended or whether there will be an entirely new division. The latter could entail an auction. The uncertainty this entails is whether Sky Radio Group will continue to be able to broadcast on the A2 Lot, as well as the lack of clarity concerning the related financial conditions.

On the basis of its analyses, acquired advice and deliberations, TMG concludes that the consequences of the CBb ruling are uncertain. It is impossible to produce a reliable estimate of the direct consequences. In the balance sheet as at 31 December 2014, the licenses in relation to the obligations arising from Lot A2 are recorded under Intangible assets, Note 4, for an amount of 9,050 (2013: 12,422), while the related liability is explained in Note 26. Should any new facts come to light in 2015, these items can change.

For a further analysis of the potential consequences of the CBb ruling see the explanation of the impairment in Note 14.

TMG Landelijke Media

TMG Landelijke Media has an off balance sheet asset of 366 for the purchase of video views.

33. Investment commitments

In the financial year 2013 and 2014, TMG did not enter into significant agreements for development of software or other investments, other than the mentioned commitments in note 32.

34. Contingent liabilities

At the end of 2014 bank guarantees of 8.687 (2013: 9.008) were issued to cover FM license obligations and rental agreements.

35. Related parties

Identity of related parties
TMG has a related party relationship with its subsidiaries, associates (see section 16 of the notes), joint arrangements (see section 35 of the notes), Stichting-Telegraafpensioenfonds 1959 and Stichting Preferente Aandelen Telegraaf Media Groep N.V. A list of Telegraaf Media Groep N.V. participations has been published at the Chamber of Commerce in Amsterdam.

The following shareholders have, at 31 December 2014, following the AFM register, an interest of more than 20% in TMG's capital:

- Stichting Administratiekantoor van aandelen Telegraaf Media Groep N.V.
- VP Exploitatie N.V.
- Dasym Investment Strategies B.V.

Transactions with Executive Board and Supervisory Board
For a specification of the remunerations per manager please refer to the company financial statements (Note 8). The note on related parties refers to TMG senior management, namely the Executive and Supervisory Boards. The total remuneration is included in personnel costs (see section 7 of the Notes to the consolidated financial statements).

Other related party transactions

Transactions with related parties relate to associated companies (revenue 2014: nil; revenue 2013: nil). Receivables with related parties were 188 (2013: nil) as at 31 December for which a provision is made of 188 (2013: nil). In 2014 TMG paid 11,095 (2013: 12,282) premium to Stichting-Telegraafpensioenfonds 1959. Including employees contributions the premium amounted to 16,409 (2013: 18,265). All outstanding balances with these related parties are priced on an arm's length basis and are settled in cash within six months of the reporting date. None of the balances is secured.

36. Subsequent events

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

COMPANY STATEMENT OF PROFIT AND LOSS

In thousands of euros	**2014**	2013
Result of subsidiaries (after tax)	**-26,260**	103,571
Other income and expense (after tax)	**-7,546**	74,026
Net result for the year	**-33,806**	177,597

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December, before profit approportion

In thousands of euros	Notes	**2014**	2013
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	2	**2,599**	2,599
Non-current financial assets			
Subsidiaries		**282,912**	290,989
Deferred tax assets		**26,148**	22,788
Total non-current financial assets	3	**309,060**	313,777
Total non-current assets		**311,659**	316,376
CURRENT ASSETS			
Receivables			
Subsidiaries		**215,070**	478,020
Cash and cash equivalants		**81**	8,902
Total current assets		**215,151**	486,922
Total assets		**526,810**	803,298
SHAREHOLDERS' EQUITY			
Issued capital		**11,588**	11,588
Legal reserves		**2,051**	2,619
Other reserves		**278,886**	106,982
Retained earnings		**-33,806**	177,597
Total shareholders' equity	4	**258,719**	298,786
NON-CURRENT LIABILITIES			
Subsidiaries		**177,824**	177,824
Other non-current liabilities		**310**	310
Total non-current liabilities		**178,134**	178,134
CURRENT LIABILITIES			
Subsidiaries		**89,795**	322,054
Accounts payable and other current liabilities		**162**	4,324
Total current liabilities	6	**89,957**	326,378
Total liabilities		**268,091**	504,512
Total shareholders' equity and liabilities		**526,810**	803,298

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Significant accounting policies

The company financial statements have been prepared in accordance with the provisions in Part 9, Book 2 of the Netherlands Civil Code. As regards determining the principles for the valuation of assets and liabilities and the result of its company financial statements, Telegraaf Media Groep N.V. uses the option provided for in Article 2:362, paragraph 8 of the Netherlands Civil Code. This means that the principles for the valuation of assets and liabilities and the determination of the result (hereinafter to be referred to as the 'accounting principles') of the company financial statements of Telegraaf Media Groep N.V. are the same as those used for the consolidated IFRS financial statements. Investments in subsidiaries are accounted for at net asset value in accordance with the IFRS accounting principles as stated in the consolidated financial statements. These consolidated IFRS financial statements have been prepared in accordance with the standards of the International Accounting Standards Board and approved by the European Union and interpretations of IFRIC.

Please refer to pages 101 to 111 for a description of these principles. Share in result of subsidiaries, joint arrangements and associates includes the share of Telegraaf Media Groep N.V. in the results of these participations. Results on transactions which have involved the transfer of assets and liabilities between Telegraaf Media Groep N.V. and its participations and between participations themselves have not been processed in so far as these cannot be regarded as having been realised. A reference is made to the Notes to the consolidated financial statements, unless otherwise stated. In conformity with article 402, Book 2 of the Netherlands Civil Code, a condensed statement of profit and loss is included in the company financial statements of Telegraaf Media Groep N.V.

2. Intanbible assets

In thousands of euros	**2014**	2013
Goodwill		
Cost	**3,300**	29,091
Impairment	**-701**	-26,492
Carrying amount at 1 January/ 31 december	**2,599**	2,599

No movements in goodwill were recognised during the year, other than an cost and impairment of goodwill adjustment due to discontinued activities from previous years.

3. Non-current financial assets

In thousands of euros	**2014**	2013
Subsidiaries		
Share in equity	**282,912**	290,989
Deferred tax assets	**26,148**	22,788
Total	**309,060**	313,777

The deferred tax asset relates to the accumulated losses of the fiscal entity TMG.

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

In thousands of euros	Subsidiaries	Deferred tax assets	Total
Carrying amount as at 1 January 2014	**290,989**	**22,788**	**313,777**
Share in result of investments	-26,260	-	-26,260
Share in actuarial results	-1,339	-	-1,339
Effect of acquisition non-controlling interest	-4,922	-	-4,922
Origination and reversal of temporary differences	-	3,360	3,360
Intercompany	24,444	-	24,444
Carrying amount as at 31 December 2014	**282,912**	**26,148**	**309,060**

The increase in carrying amount of subsidiaries through intercompany is the result of the restructuring of legal entities in 2014.

An overview of the information based on art. 379 and 414 of Book2 of the Netherlands Civil Code has been filed with the Chamber of Commerce in Amsterdam.

4. Shareholders'equity

The company's equity is equal to the consolidated equity attributable to shareholders Telegraaf Media Groep N.V. (zie pag 126).

The movements in shareholders equity can be shown as follows:

In thousands of euros	Issued capital	Legal reserve	Other reserves	Retained earnings	Total
Balance as at 1 January 2014	**11,588**	**2,619**	**106,982**	**177,597**	**298,786**
From profit distribution	**-**	**-**	**177,597**	**-177,597**	**-**
Net result for the year	-	-	-	-33,806	-33,806
Other comprehensive income	-	-	-1,339	-	-1,339
Total comprehensive income for the year	**-**	**-**	**-1,339**	**-33,806**	**-35,145**
Acquisition of minority interest	-	-	-4,922	-	-4,922
Result subsidiaries not distributable	-	-568	568	-	-
Balance as at 31 December 2014	**11,588**	**2,051**	**278,886**	**-33,806**	**258,719**

The statutory reserve is maintained for non-distributable profits of associates The change in 2014 shows the capitalization of internally developed assets in subsidiaries offset by a release to the Retained earnings (distributable) because of the depreciation on the same assets in 2014, and legally required reserves held by subsidiaries abroad. The Reservation is based on Art. 2:365 BW of the Dutch Civil Code.

5. Non-current liabilities

In thousands of euros	**2014**	2013
Subsidiaries	**177,824**	177,824
Acquisition payables	**310**	310
Total	**178,134**	178,134

The non-current liability subsidiaries is a loan with TM Investeringen N.V.

The acquisition amounts to be paid are related to Sky Radio Group.

6. Current liabilities

In thousands of euros	**2014**	2013
Subsidiaries	**89,795**	322,054
Accounts payable and other current liabilities	**162**	4,324
Total	**89,957**	326,378

The obligation to susidiaires relate to intercompany obligations within the group as a result of completed transactions.

7. Off-balance sheet liabilities

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

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

8. Remuneration of executive board and supervisory board members

Remuneration

On 1 July 2014 Mr G.J.E. Van der Snoek is appointed as chairman of the Executive Board. Mr. C.J.J. van Steijn was till 1 May 2014 chairman of the Executive Board ad interim. On 1 September 2014 Mr. L.N.J. Epskamp is appointed as member of the Executive Board. Mr. F.Th.J. Arp resigned per 1 November 2014 as boardmember.

Mr. van der Snoek has a variable remuneration received of € 60,000 over 2014. Mr. Epskamp has a variable remuneration over 2014 received of € 35,000. Mr. Arp received a variable remuneration over 2014 of € 74,929. Over 2013 Mr. Arp received a variable remuneration of € 37,465. Underlying breakdown is on accrual basis and including secondary salary conditions. The comparative amounts have ben reclassified.

In euros						**2014**
	Fixed remuneration	**Variable remuneration**	**Deferred remuneration**	**Redundancy scheme**	**Other**	**Total**
Members of the Executive Board						
G.J.E. van der Snoek[1]	**225,000**	**60,000**	**37,192**	**-**	**16,275**	**338,467**
L.N.J. Epskamp[2]	**125,000**	**35,000**	**20,545**	**-**	**8,720**	**189,265**
Former members of the Executive Board						
F.Th.J. Arp[3]	**404,619**	**74,929**	**95,261**	**683,984**	**14,248**	**1,273,041**
C.J.J. van Steijn a.i.[4]	**-**	**-**	**-**	**-**	**-**	**-**
H.M.P. van Campenhout[5]	**-**	**-**	**-**	**-**	**-**	**-**

1 *Appointed 1 July 2014.*
2 *Appointed 1 September 2014.*
3 *Resigned 1 November 2014. From service by March 1, 2015.*
4 *As per 15 April 2013 Mr, C.J.J. van Steijn is appointed as chairman of the Executive Board ad interim. The allowance over 2014 amounted € 186.300 (2013: € 398,000), including commission for BoerCroon Management.*
5 *Resignation by April 8, 2014. From service by January 1, 2014. The termination allowance of 708 995 is explained in the 2013 financial statements.*

In euros						2013
	Fixed remuneration	Variable remuneration	Deferred remuneration	Redundancy scheme	Other	Total
Members of the Executive Board						
G.J.E. van der Snoek	-	-	-	-	-	-
L.N.J. Epskamp	-	-	-	-	-	-
Former members of the Executive Board						
F.Th.J. Arp	485,543	37,465	148,496	-	17,097	688,601
C.J.J. van Steijn a.i.[1]	-	-	-	-	-	-
H.M.P. van Campenhout	180,947	-	34,890	708,995	19,116	943,948

1 *As per 15 April 2013 Mr, C.J.J. van Steijn is appointed as chairman of the Executive Board ad interim. The allowance over 2014 amounted € 186.300 (2013: € 398,000), including commission for BoerCroon Management.*

In order to tackle the budget deficit, the Dutch government has introduced a temporary crisis levy for the years 2012 and 2013.. This is a charge of 16 percent over fiscal salaries of employees to the extent of more than 150,000 euros in 2013.

Due to the termination of employment of Mr. Arp a redundancy payment is agreed, which is made up as follows:

In euros	**2014**
Termination benefit	**485,000**
Term of notice	**198,984**
Total	**683,984**

The termination benefit is in line with the relevant parts of the contract of Mr. Arp.

Remuneration of the (former-) Supervisory Board

In euros	**2014**	2013
	Periodical remuneration	Periodical remuneration
Members of the Supervisory Board		
M.A.M. Boersma , chairman	**51,000**	38,364
M.A.M. Boersma , delegate commissioner	**60,000**	86,250
J.J. Nooitgedagt, vice-voorzitter[1]	**47,500**	22,622
A.R. van Puijenbroek, secretaris	**45,500**	33,252
mevr. A.G. van den Belt[2]	**27,000**	-
mevr. S.G. Brummelhuis[2]	**30,333**	-
Former members of the Supervisory Board		
D.H.H.D. Ropers[3]	**11,894**	33,933
M. Tiemstra[3]	**13,727**	33,933
J.G. Drechsel[3]	**13,894**	33,933

1 *Joined by April 25, 2013.*
2 *Joined by April 24, 2014.*
3 *Resignation by April 24, 2014.*

In the General Meeting of Shareholders on 25 April 2013 the Supervisory Board announced that Mr. M.A.M. Boersma was appointed as delegate commissioner, until the vacancy of chairman of the Executive Board had been fulfilled. On 1 July 2014 Mr G.J.E. Van der Snoek was appointed as chairman of the Executive Board. On this date Mr. Boersma resigned of his duties as delegate commissioner. Mr. Boersma was in average 1.5 days a month working for TMG as delegate commissioner. Furthermore he is on average two days a month active as chairman of the Supervisory Board. Based on the average pastime and the remuneration of the chairman of the Supervisory Board the total remuneration for both roles was about € 14,250 a month.The remuneration of the Supervisory Board and its committees has been changed in the General Meeting of Shareholders in 2014 and is now in line with the average applied by Dutch smallcap.

Share ownership at 31 December 2014

	Shares	Depositary receipts for shares
Members of the Executive Board		
G.J.E. van der Snoek	-	-
L.N.J. Epskamp	-	-
Members of the Supervisory Board		
M.A.M. Boersma	-	-
J.J. Nooitgedagt	-	-
A.R. van Puijenbroek	-	-
mevr. A.G. van den Belt	-	-
mevr. S.G. Brummelhuis	-	-

9. Service fee external auditor

The service fee recognised in the financial statements for the external auditor Deloitte Accountants B.V. pursuant to art. 382 BW2 is as follows:

In thousands of euros	**2014**	2013
Audit of the financial statements	557	360
Other assurances services	194	49
Tax advisory	-	-
Other non-audit services	-	-
Total	**751**	409

The external auditor has not received fees for tax and / or other non-audit services.

Amsterdam, 10 march 2015

Executive Board
G.J.E. van der Snoek , chairman
L.N.J. Epskamp

Supervisory Board
M.A.M. Boersma, chairman
J.J. Nooitgedagt, vice-chairman
A.R. van Puijenbroek, secretary
Mevrouw A.G van den Belt
Mevrouw S.G Brummelhuis

OTHER INFORMATION

2015

Subsequent Events

Sky Radio Group

On 8 January 2015, the Trade and Industry Appeals Tribunal (CBb) issued a ruling in the legal proceedings instituted by the Sky Radio Group against the State. The lawsuit pertained to the € 20.4-million fee that the Sky Radio Group is required to pay for the FM licensing permit over the period 2011-2017 for the qualified A2 Lot ('Radio Veronica'). The CBb ruled in favour of the Sky Radio Group. The ruling is not open to any appeal or objection. In its ruling the CBb declared Sky Radio Group's appeal to be founded. In addition, the CBb has nullified the regulations attached to the license. Apart from that the permit was upheld.

To determine its position, TMG consulted with various advisors concerning an assessment of the subsequent negotiations and discussions with the State. These consultations also considered the substantive deliberations of the CBb. These considerations do not appear to preclude that the Minister, acting on his own initiative (in his official capacity) may attempt to impose a new financial payment obligation for the use of the A2 Lot. In addition, the CBb furthermore has not ruled whether the A2 Lot should be considered to have a value that is less than or equal to zero. Nor did the ruling specify that the Minister therefore should have set the payment amount to zero.

TMG has furthermore concluded that it is not possible to rule out that the ruling, in an indirect way, could have negative implications for Sky Radio Group. This is related to the consideration that the Minister can decide whether the current radio permits at the end of their current term will once again be extended or whether there will be an entirely new division. The latter could entail an auction. The uncertainty this entails is whether Sky Radio Group will continue to be able to broadcast on the A2 Lot, as well as the lack of clarity concerning the related financial conditions.

On the basis of its analyses, acquired advice and deliberations, TMG concludes that the consequences of the CBb ruling are uncertain. It is impossible to produce a reliable estimate of the direct consequences. In the balance sheet as at 31 December 2014, the licenses in relation to the obligations arising from Lot A2 are recorded under Intangible assets, Note 4, for an amount of € 9,050 (2013: € 12,422), while the related liability is explained in Note 26. Should any new facts come to light in 2015, these items can change.

For a further analysis of the potential consequences of the CBb ruling see the explanation of the impairment in Note 14.

Holland Media Combinatie

Holland Media Combinatie announced its strategic direction on 6 February 2015. The spearhead in this respect is to strengthen the publications in five core regions. This concerns the four regional dailies Noordhollands Dagblad, Haarlems Dagblad, Leidsch Dagblad, De Gooi- en Eemlander, the weeklies in these regions and the weeklies in the Greater Amsterdam area (Amsterdam, Amstelveen and Almere). The restructuring involving 120 FTEs had been planned for the first half of 2014, but will now be completed in the first quarter of 2015.

Independent Auditor's Report

To: The Shareholders and Supervisory Board of Telegraaf Media Groep N.V.

Report on the Audit of the Financial Statements 2014

Our opinion

We have audited the accompanying financial statements 2014, as included on pages 94 through 148, of Telegraaf Media Groep N.V. (the company), based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The consolidated financial statements, as included on pages 94 through 139, give a true and fair view of the financial position of Telegraaf Media Groep N.V. as at December 31, 2014 its result and its cash flows for 2014 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The company financial statements, as included in pages 140 through 148, give a true and fair view of the financial position of Telegraaf Media Groep N.V. as at December 31, 2014 and of its result for 2014 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at December 31, 2014;
2. the following statements for 2014: the consolidated statements of profit and loss and other comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at December 31, 2014;
2. the company profit and loss account for 2014; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for Our Opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the “Our responsibilities for the audit of the financial statements” section of our report.

We are independent of Telegraaf Media Groep N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

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

Materiality

Misstatements can arise from fraud or error and will be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 3.2 million. The materiality is based on a percentage (around 7%) of the consolidated result from continued operations before tax, excluding interest, depreciation and amortisation of immaterial and material assets.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated financial statements for qualitative reasons We agreed with the Supervisory Board that misstatements in excess of € 160.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the Group Audit

Telegraaf Media Groep N.V.is the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Telegraaf Media Groep N.V.

Because we are ultimately responsibility for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

Decisive were, the size and/or risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial statements or specific items.

The activities of Telegraaf Media Groep N.V. are mainly based in the Netherlands. Only Keesing Media Group has also activities abroad (mainly in France). The group audit mainly focused on significant entities in the Netherlands and in France. We have performed audit procedures ourselves at group entities in the Netherlands. When auditing the entities in France, we have used the work of other auditors. At other group entities we have performed review procedures or specific audit procedures.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group’s financial information to provide an opinion about the consolidated financial statements.

Our Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit on the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Impairments of intangible fixed assets

The intangible assets represent a significant amount on the balance sheet of the Company. Under EU-IFRS the Company is required to test the amount of goodwill as part of the intangible assets for impairment every year. This annual impairment test was significant to our audit because the assessment process is complex and judgmental and is based on assumptions relating to market or economic conditions.

As the Company has described at point 14 in the notes to the financial statements, the realizable values are based on value in use, based on cash flow forecast on the basis of operating results, the budget 2015 and the long term plans through 2017, as well as the cash flows subsequent to 2017, extrapolated to estimated useful life without taking account of a growth percentage, with the exception of the Sky Radio Group Unit, for with 1.5% growth percentage has been applied. The forecasted cash flows have been discounted at a discount rate taking account of the risk profile for the Company as a whole. The Company has tested the assumptions applied against future developments in the media sector. The assumptions are based on historical data from both external and internal sources. We have primarily focused on the impairment of intangible assets of the Sky Radio Group because of the estimated headroom. We have verified the sources and have assessed the reasonableness of the assumptions applied.

Our audit procedures included calling in the assistance of a valuation expert to support us with the evaluation of the assumptions and methods applied by the Company. We have paid particular attention to the assumptions for the expected revenue growth, results and EBITDA-margins.

We have likewise paid attention to the notes of the Company regarding the assumptions and the outcome of the impairment test.

Ruling FM

As the Company has described at point 32 in the notes to the financial statements, on 8 January 2015, the Trade and Industry Appeals Tribunal (CBb) issued a ruling in the legal proceedings instituted by the Sky Radio Group against the State. The lawsuit pertained to the € 20.4-million fee that the Sky Radio Group is required to pay for the FM licensing permit over the period 2011-2017 for the qualified A2 Lot ('Radio Veronica'). The CBb ruled in favour of the Sky Radio Group. The ruling is not open to any appeal or objection. In its ruling the CBb declared Sky Radio Group's appeal to be founded. In addition, the CBb has nullified the regulations attached to the license.

During our audit we have examined the correct accounting treatment and disclosure in the financial statements of this ruling of this License Permit Radio Veronica.

Reliability and continuity of the automated data processing

The Company depends on the IT infrastructure for the continuity of the business operations. We have assessed the Reliability and continuity of the automated data processing, solely insofar as required within the scope of the financial statements audit. To this end we have included specialized IT auditors in our audit team. Our procedures comprised the assessment of the IT infrastructure developments and a test of the internal control measures relating to IT system and processes relevant to our audit. Insofar as we could not rely on these internal control measures, or not entirely, we have performed additional substantive procedures.

Responsibilities of Management and the Supervisory Board for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our Responsibilities for the Audit of the Financial Statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on Other Legal and Regulatory Requirements

Report on the management board report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and other information):

- We have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civel Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the management board report, to the extent we can assess, is consistent with the financial statements.

Engagement

We were engaged by the general meeting as auditor of Telegraaf Media Groep N.V. on April 25 2013, as of the audit for the years 2013-2015 and have operated as statutory auditors since 2010.

Amsterdam, March 10, 2015

Deloitte Accountants B.V.

Signed on the original: P. Kuijpers

Provisions in the articles of association concerning the appropriation of profit

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

1. Each year the Executive Board, subject to the approval of the Supervisory Board and the Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V. [TMG Preference Shares Trust], determines the portion of the profit – the positive balance on the income statement – that will be transferred to the reserves.

2. A dividend is made payable on the preference shares from the profit remaining after the transfer to reserves in accordance with the previous paragraph, at a percentage equal to the Euribor interest rate (Euro Interbank Offered Rate) for a period of twelve months (the 'Rate'), applicable on the date on which the relevant preference shares were issued. The Rate is subsequently reviewed each year by the Executive Board, for the first time on the day one year after the date of issue of the relevant preference shares and subsequently on the day one year after the date on which the Rate was set in the previous calendar year. The Rate is increased by three (3) percentage points. The dividend is calculated on the basis of the average of the applicable Rates in the relevant financial year, weighted by the number of days to which the applicable Rates applied. If the Rate cannot be determined on the relevant day, the Rate will be reviewed on the next day on which it can be determined. The dividend on preference shares will only be paid on the number of days that the relevant shares were actually in issue in the relevant financial year.

3. If in any financial year the dividend on preference shares as provided for in paragraph 2 above, cannot or can only partially be paid, due to a lack of sufficient income, the shortfall is paid from the distributable portion of equity. The dividend is calculated on the paid-up portion of the nominal amount.

4. A dividend is subsequently paid to the holders of priority shares in the amount of five percent of the nominal value of their shares.

5. The profit then remaining is at the disposal of the General Meeting of Shareholders. No additional dividend may however be paid from this amount on the priority shares or the preference shares.

6. Distribution of profit is limited to the distributable portion of the shareholders' equity.

7. If a loss is incurred in any one year, no dividend is then paid in that year. In addition, in subsequent years a dividend may only be paid after sufficient profit has been made to cover the loss. Based on a proposal submitted by the Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V., the General Meeting of Shareholders may however decide to extinguish such a loss against the distributable portion of the shareholders' equity or also make a dividend payable from the distributable portion of the shareholders' equity.

8. Profit is distributed after the financial statements, showing that the distribution is permissible, have been adopted.

9. The Executive Board, subject to the approval of the Supervisory Board and the Priority Share Management Trust, can decide to proceed with the payment of an interim dividend, provided that the interim statement of assets and liabilities demonstrates compliance with the provision in paragraph six. This statement is related to the capital position on at the earliest the first day of the third month prior to the month in which the decision to proceed with the payment of an interim dividend is announced. This statement is prepared in accordance with the application of generally accepted valuation standards. The

statement of assets and liabilities includes the amounts that are to be included as reserves pursuant to the law. The statement is signed by the members of the Executive Board. If the signature of one or more of the members is missing, this is clearly stated together with the reason for it. The statement of assets and liabilities is deposited within eight days following the day on which the decision to proceed with payment is made, at the offices of the Commercial Register.

10. The shares held by the company in its own capital do not count in determining the distribution of profit.

Profit appropriation

The Executive Board, with the approval of the Supervisory Board, proposes that the General Meeting of Shareholders resolves to charge the loss over the 2014 financial year in the amount of € 33,806{MQ} to the other reserves. This proposal has been incorporated in the Financial Statements.

TMG Preference Shares Trust and TMG Priority Share Management Trust

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

Stichting Preferente Aandelen Telegraaf Media Groep N.V.

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

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

The Trust attempts to achieve this goal:

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

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

- By disposal to the company itself or to an affiliated group company to be designated by the company.
- By collaboration in the repayment and withdrawal of shares.
- By encumbering shares (without transfer of voting right) for the purpose of acquiring a loan or credit, with the sole objective of depositing (part) of the nominal value of the preference shares in the Company to be acquired by the Trust.

The right to issue preference shares in the Telegraaf Media Groep N.V. is granted by the Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V. (TMG Priority Share Management Trust).

The Stichting Preferente Aandelen Telegraaf Media Groep N.V. has the right to acquire, in part or in whole, a number of preference shares in the capital of Telegraaf Media Groep N.V. for the exercise of these rights that corresponds to 50% of the total number of ordinary shares issued before the exercise of (a portion of) these rights.

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

On 21 March 2008, Telegraaf Media Groep N.V. granted the Trust the authority to submit a request for inquiry on the basis of Article 2:346, opening words, and under e of the Dutch Civil Code.

The Management Board consists of a minimum of three and a maximum of five members. As at 31 December 2014 the composition of the Management Board was as follows: J.H.M. Lindenbergh (Chairman), J.G. Bruijniks (Vice-chairman) and J.P. Witsen Elias (Secretary).

The remuneration of the Trust's Management Board members consists of € 7,260 per year for the Chairman and € 6,050 per year for the other board members, paid on an after-the-fact basis and per calendar year. The other costs of the Trust consist of banking, consulting and auditing fees. The total expenses of the Trust over 2014 amounted to € 41,179 (2013: € 43,881).

No preference shares were outstanding on the balance sheet date.

The Trust meets on two occasions during the year. In 2014, these meetings were held on 9 April and 1 October. Among the topics discussed at these meetings were the semi-annual and annual figures of Telegraaf Media Groep N.V. in the presence of TMG's CFO, the issue of preference shares scenarios, the extension of the loan agreement and the deeds of pledge, and the search for member A on the Management Board. In addition, the Trust was introduced to the new CEO, Mr Geert-Jan van der Snoek and the new CFO, Mr Leo Epskamp.

The Trust can autonomously and independently decide whether and when there is a need to exercise its option right.

Declaration of Independence

In the opinion of the Trust's Management Board, as well as the Company's Executive Board, the Trust is independent as defined in Section 5.71 (1c) of the Financial Supervision Act (Wft).

Stichting Preferente Aandelen Telegraaf Media Groep N.V.,
J.H.M. Lindenbergh, Chairman

Telegraaf Media Groep N.V.
Geert-Jan van der Snoek, CEO

Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V.

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

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

The priority shares are held by the Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V., whose Management Board at 31 December 2014 consisted of E.H. van Puijenbroek (Chairman), J.J. Nooitgedagt, M.A.M. Boersma and A.R. van Puijenbroek.

Annual Report 2014 of the Telegraaf Media Groep N.V. Share Administration Trust

Telegraaf Media Groep N.V. is a listed company. The receipts for depositary shares in Telegraaf Media Groep N.V. are traded on the Euronext Amsterdam N.V.

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

In exercising the rights associated with the shares, the Trust primarily focuses on the interests of the holders of depositary receipts with due consideration to the interests of Telegraaf Media Groep N.V. and its affiliated companies. The issue of depositary receipts for shares is a measure designed to prevent the absence of shareholders at the General Meeting of Shareholders from resulting in a minority of shareholders, by happenstance or otherwise, that is subsequently able to take over control of the meeting.

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

The notes explaining the variance from Principle IV.2 of the Corporate Governance Code: Issue of Depositary Receipts for Shares may be found at www.tmg.nl under Corporate Governance.

In 2014, the number of convertible depositary receipts for shares in Telegraaf Media Groep N.V. issued by the Telegraaf Media Groep N.V. Share Administration Trust on balance increased by 120,000 depositary receipts and amounted to 29,107,774 (at a nominal value of € 0.25) as at 31 December 2014, corresponding to a nominal amount of € 7,276,943.50. An equal number of shares was administered by the Trust against these depositary receipts.

Two meetings took place on 8 April 2014. The items discussed during the regular Management Board meeting (minutes available on the Trust's website: http://administratiekantoor.tmg.nl) include the Trust's financial statements and report for the 2013 financial year, and the Trust's accounts. Telegraaf Media Groep N.V.'s financial statements were extensively discussed with Mr F.Th.J. Arp, the former CFO of the Executive Board of the Telegraaf Media Groep N.V. The agenda of the subsequent Meeting of the Holders of Depositary Receipts for Shares and that of the General Meeting of Shareholders of 24 April 2014 were also discussed at this meeting.

The Meeting of the Holders of Depositary Receipts for Shares subsequently took place in the afternoon (minutes available on the Trust's website: http://administratiekantoor.tmg.nl). This year two holders of depositary receipts for shares were present at this meeting.

Agenda items included a discussion of the minutes of the Meeting of Holders of Depositary Receipts for Shares held on 11 April 2013, a review of the Telegraaf Media Groep N.V. General Meeting of Shareholders held on 25 April 2013, the activities of the Executive Board during 2013, and preparations for the Telegraaf Media Groep N.V. General Meeting of Shareholders held on 24 April 2014. During the meeting, the questions that one of the holders of depositary receipts for shares and the questions that the

Management Board was planning to ask during the General Meeting of Shareholders were discussed. The questions were related to the arrival of Mr Van der Snoek as CEO, the retirement of three supervisory directors at a single meeting, the two newly to be appointed supervisory directors, the decision not to dispose of Keesing, TMG's strategy, the severance payment of Mr Van Campenhout, the financial position in relation to the pay-out of the super-dividend, the constant reorganisation, and the new remuneration policy of the Executive Board and the Supervisory Board. In addition, it was decided to ask the Executive Board about the possibility of convening an Extraordinary General Meeting when a major acquisition is planned. Furthermore, the attendees would like to see a paragraph in the 2014 Financial Annual Report that describes the Supervisory Board's view of TMG's strategy and how the Supervisory Board contributes to this.
One of the attending holders of certificates for depository receipts for shares also had a number of questions for the auditor.

Telegraaf Media Groep N.V.'s Annual General Meeting of Shareholders was held on 24 April 2014 in Amsterdam (www.tmg.nl). The Trust's Management Board issued voting proxies for the duration of the meeting to the holders of depositary receipts for shares present during the meeting. The Management Board represented over 17%, while the holders of depositary receipts for shares with proxies represented almost 45% of the votes present during this meeting.

During this meeting, Mr De Waard, the Foundation's Chairman, discussed the distribution of the super-dividend. The Trust is naturally not opposed to the distribution, but wishes to know if TMG still has sufficient financial resources to make the required investments over the medium-term following the pay-out of the super-dividend. Mr Arp answers by indicating that in addition to cash funds, there are other funding options, such as a loan or issuing shares. Furthermore, Mr De Waard asked questions about the remuneration policy. The remuneration policy must be determined by the shareholders and the remuneration amounts are determined by the Supervisory Board. In his view, a share option plan should also be determined by the shareholders, rather than by the Supervisory Board.

He proposes converting the severance pay upon termination of the contract into a 6-month notice period. Mr Nooitgedacht proposes removing the shares component from the proposal. Furthermore, the severance pay upon termination of the contract term is removed from the proposal and the relevant executive is notified after 3.5 years relating to renewal or termination of the contract. The criteria relating to the variable portion of the remuneration are clear and measurable. This is subject to subsequent accountability to the General Meeting. The Chairman of the Supervisory Board puts the proposal as defined by Mr Nooitgedacht to the vote. The proposal is adopted with a majority of votes.

The Chairman of the Trust also asks if the Supervisory Board will be looking for a person with experience in supervisory roles for the third Supervisory Board position. This is confirmed by Mr Boersma, the Chairman of the Supervisory Board.

Relating to the issues further presented by the Board during the General Meeting of Shareholders of Telegraaf Media Groep N.V on 24 April 2014, and the relevant reactions of the Supervisory Board and Executive Board, please refer to the relevant Minutes.

In September 2014, the Chairman had an introductory meeting with Mr Van der Snoek who took up his position as CEO at TMG on 1 July 2014.

During the autumn meeting (minutes available on the Trust's website: http://administratiekantoor.tmg.nl), the Management Board met with Mr Epskamp who joined TMG as its CFO on 1 September. Since Mr Epskamp had not prepared the semi-annual report, the Management Board's questions put to Mr Epskamp were of a more general nature. He will be asked to explain the figures in a subsequent meeting. In addition, the Trust's finances, the minutes of the meeting of 8 April 2014, the signature of the power of attorney concerning transactions involving shares and depositary receipts for shares of Telegraaf Media Groep N.V., the role of Kasbank in the registration procedure for the Meeting of Holders of Depositary Receipts for Shares and the date for the spring meeting of the Management Board and the 2015 Meeting of Holders of Depositary Receipts for Shares were discussed.

The annual remuneration of the Trust's Management Board members consists of € 10,890 for the Chairman and € 8,470 for the other board members, paid in arrears and per calendar year. The annual costs of the activities of the Share Administration Trust primarily consist of expenses related to stock exchange listings and processing costs for a total of € 21,585, costs for maintaining the Trust's website for a total of € 1,929 and auditing costs in the amount of € 3,926. The total expenses of the Trust over 2014 amounted to € 72,228 = (2013: € 73,440).

The Board of the Telegraaf Media Groep N.V. Share Administration Trust is independent in the sense of Article 2:113 paragraph 3 of the Dutch Civil Code and consists of the following members, including mention of former and/or current functions held:

T. de Waard, Chairman:
solicitor at De Waard Sinke Advocaten

W.P. Moleveld RA, Vice Chairman:
Emeritus Professor of Accountancy at Nyenrode Business University

E.S. Schneider LL.M., Secretary:
Independent Organisation Consultant, specialising in publishers and printers (to 2006)

W. Ruijgrok:
Former Managing Director of VNO-NCW

J.F.H.M. van Exter:
Former Managing Director Tata Steel Nederland Services B.V.

Amsterdam, 11 March 2015

Telegraaf Media Groep N.V. Share Administration Trust
c/o Basisweg 30
1043 AP Amsterdam, The Netherlands

Key Figures by Year

	2014	2013	2012[1]	2011	2010	2009	2008	2007	2006	2005
Shareholders' equity x € 1,000[2]	**258,719**	298,786	424,760	465,828	531,075	465,962	411,576	866,815	498,041	530,468
TMG equity in percentage of the total equity and liabilities	**54.4%**	53.7%	53.1%	55.6%	66.7%	61.1%	54.0%	70.3%	47.8%	68.8%
Current ratio	**0,72:1**	0,7:1	0,45:1	0,50:1	0,72:1	0,78:1	0,7:1	2,64:1	1,04:1	1,08:1
Current gearing	**1,19:1**	1,16:1	1,13:1	1,25:1	2,00:1	1,57:1	1,17:1	2,37:1	0,91:1	2,20:1
Revenue TMG x € 1,000	**512,701**	542,230	555,850	577,200	592,297	611,840	684,204	738,795	784,460	736,686
Cash flow from operating activities x € 1,000	**24,129**	-15,465	21,977	17,485	59,569	49,252	64,962	62,130	60,195	73,600
Net result x € 1,000 **	**-33,806**	177,597	-10,602	-32,590	81,826	70,505	-359,988	400,097	49,599	65,428
Net result TMG in percentage of the total revenues	**-6.6%**	32.8%	-1.9%	-5.6%	13.8%	11.5%	-52.6%	54.2%	6.3%	8.9%
Operating result in percentage of the total revenues	**-6.1%**	-1.9%	2.9%	-14.3%	3.8%	-0.5%	-5.4%	-3.8%	-2.1%	7.2%
Average total revenues per employee (fte)	**219,009**	209,760	204,658	204,536	207,751	204,743	207,272	201,590	188,981	170,632
Personnel end of year (fte)	**2,259**	2,459	2,745	2,940	2,851	2,988	3,278	3,594	3,782	4,362
Return on equity	**-13.1%**	59.4%	-2.5%	-7.0%	15.4%	15.1%	-87.5%	46.2%	9.9%	12.3%
Pay out ratio	**p.m.**	p.m.	p.m.	p.m.	26.3%	23.7%	p.m.	11.9%	50.0%	35.3%
Per TMG share with a nominal value of € 0.25 (rounded to whole euro cents):										
Shareholders' equity	**5.58**	6.45	9.16	9.99	11.12	9.76	8.62	17.43	9.96	10.10
Cash flow from operating activities	**0.52**	-0.33	0.47	0.37	1.25	1.03	1.35	1.24	1.20	1.40
Net result	**-0.73**	3.83	-0.23	-0.69	1.71	1.48	-7.49	8.00	0.99	1.25
Dividend	**p.m.**	p.m.	0.00	0.47	0.45	0.35	0.35	1.00	0.50	0.44
Lowest share price	**5.61**	7.92	6.60	9.10	14.52	8.95	8.86	19.69	19.00	17.06
Highest share price	**9.11**	14.85[3]	10.49	16.45	16.45	14.80	24.86	26.87	23.00	20.64
Closing share price as at 31 December	**6.09**	9.11	8.00	9.95	14.95	13.14	12.45	25.00	19.85	18.25

1 *Based on IFRS principles.*
2 *Attributable to shareholders of Telegraaf Media Groep N.V.*
3 *Before interim-dividend payment of € 6.00.*

Glossary and Abbreviations

Carbon Disclosure Project (CDP)
An independent non-profit organisation that globally strives to mitigate the emission of greenhouse gases. For more information see: http://www.cdp.net.

Centraal Bureau Fondsenwerving (Central Fundraising Bureau) (CBF)
CBF provides information about charitable causes and promotes responsible fundraising and spending. For more information see: http://www.cbf.nl.

CertiQ
CertiQ certifies power generated by the sustainable energy sources solar, water, wind and biomass and has been appointed by the government for this purpose. The Certificates of Origin are provided electronically by CertiQ and are the only valid proof in the Netherlands that the power was generated from sustainable sources. The certificates issued by CertiQ can be traded within Europe. For more information see: http://www.certiq.nl.

CO_2emissiefactoren.nl
The list of CO_2 emission factors is an initiative of SKAO, Stichting Stimular, Connekt, Milieu Centraal and the Ministry of Infrastructure and the Environment and was created in collaboration with various stakeholders pursuant to a Green Deal with the involved parties. For more information see: http://www.co2emissiefactoren.nl.

DAB+
Digital Audio Broadcasting. System for digitised radio broadcasts.

DIP (Deinked Pulp)
Recycled paper fibres that are processed with chemicals to remove the printing inks and other undesirable elements from the paper fibres. The process is referred to as ‘deinking’.

Sustainability reporting
Sustainable themes that are professionally and clearly reported in various ways, including in specials, advertisements, branded content and current affairs.

Energy Efficiency Plan (EEP)
A tool for implementing energy efficiency improvement measures as part of the internal company planning process. The plan identifies which measures will be implemented when. It is a mandatory element of the long-term agreement on energy efficiency.

FSC
The Forest Stewardship Council (FSC) is an international organisation dedicated to preserving and responsible forest stewardship throughout the world. FSC speaks about responsible forest stewardship when there is a balanced approach to the ecological, social and economic aspects that form part of forest management. For more information see: http://www.fsc.nl.

Greenhouse Gas Protocol
An international standard for measuring, calculating and reporting the emission of greenhouse gases. For more information see: http://www.ghgprotocol.org/.

GRI
The Global Reporting Initiative (GRI) focuses on achieving sustainability reporting by all organisations. GRI produces the world's most comprehensive Sustainability Reporting Framework as a means of effecting greater transparency by organisations. For more information see: https://www.globalreporting.org.

GRP
Gross Rating Points. Measuring unit for viewing and listening density.

HOI
The Circulation Institute (HOI) collects, verifies and publishes circulation figures for media published in the Netherlands. It was acquired by NOM (National Multimedia Research) on 1 January 2015.

International Labour Organization (ILO)
The International Labour Organization is a specialised United Nations organisation. The promotion of social justice in work-related situations is one of the ILO's most important objectives. For more information see: http://www.ilo.org.

CSR
Corporate Social Responsibility.

NOM
National Multimedia Research (formerly HOI - see HOI).

NMR
Nielsen Media Research.

NLO/Intomart
National Listening Research/Intomart.

OECD Guidelines
The OECD Guidelines clearly specify what the Dutch government (and 45 other countries) expects from companies in the area of corporate social responsibility (CSR) when they conduct (international) business. The guidelines provide a frame of reference for companies to deal with issues such as supply chain responsibility, human rights, child labour or the environment. For more information see: http://www.oesorichtlijnen.nl/

PEFC
The Programme for the Endorsement of Forest Certification schemes is a global non-profit, independent quality mark designed to promote sustainable forest management. For more information see: http://pefcnederland.nl.

Primary fuels
Electricity consumption is calculated on the basis of the use of primary fuels. This means that the calculations are based on the energy of the fuel required to generate 1 kWh of electricity in a power plant. A power plant has an average yield of approximately 40%. This means that for every kWh of electricity produced by a power plant, 2.5 kWh of fuel is required. 1 kWh has an energy content of 3.6 Gigajoules. The consumption of 1 kWh of electricity on the basis of the use of a primary fuel therefore has a primary energy content of 3.6 GJ x 2.5 = 9 GJ.

RAB
Radio Advies Bureau, marketing organisation for all national and regional, public and commercial radio stations.

SKAO
Independent Foundation for Climate-Friendly Procurement and Business is an organisation that publishes a methodology for measuring the CO_2 performance of companies. As part of this methodology, the company also publishes CO_2 emission factors.

Total Cost of Ownership
Total Cost of Ownership (TCO) is an approach designed to provide full insight into all costs related to the acquisition, use and removal/reuse of purchased goods and services.

Transparency Benchmark
The Transparency Benchmark is a yearly analysis of the substance and quality of the corporate social responsibility reporting by Dutch companies.

UN Global Compact
An initiative of the United Nations in which governments, the business community and divergent institutions collaborate to develop and apply universal principles concerning human rights, working conditions, the environment and combating corruption. For more information see: https://www.unglobalcompact.org.