TMG financial statements 2016

Inspiring and connecting

With around 60 strong brands and a multi-million reach, TMG is particularly able to inform specific target groups, transfer knowledge and connect. Successful events such as the sharing of knowledge by DFT in collaboration with Nyenrode Business University also contribute to this.

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Consolidated statement of profit or loss

In thousands of euros	Note	**2016**	2015
Continuing operations			
Revenue	4	**420,370**	451,409
Other operating income	5	**669**	999
Total revenue		**421,039**	452,408
Raw materials and consumables	6	**20,732**	28,879
Employee benefits	7	**175,912**	194,756
Depreciation, amortisation and impairment losses	8	**17,388**	24,460
Other operating expenses	9	**215,414**	221,055
Total operating expenses		**429,446**	469,150
Operating result		**-8,407**	-16,742
Result from associates	10	**714**	-40
Financial income	10	**160**	273
Financial expense	10	**-903**	-1,212
Financial income and expense		**-29**	-979
Result on continuing operations before tax		**-8,436**	-17,721
Income tax	11	**-2,621**	1,907
Result for the year on continuing operations		**-5,815**	-19,628
Discontinued operations			
Result from discontinued operations after tax	13	**7,373**	-4,011
Result for the year		**1,558**	-23,639
Result for the year attributable to:			
Shareholders of Telegraaf Media Groep N.V.		**1,558**	-22,760
Non-controlling interest		**-**	-879
Result for the year		**1,558**	-23,639
Earnings per share			
Result for the year attributable to shareholders of ordinary shares in Telegraaf Media Groep N.V.	24	**1,558**	-22,760
Weighted average number of ordinary shares	24	**46,350,000**	46,350,000
Basic and diluted earnings per share from continuing operations (EUR)		**-0.13**	-0.42
Basic and diluted earnings per share (EUR)		**0.03**	-0.49

Consolidated statement of comprehensive income

In thousands of euros	Note	**2016**	2015
Result for the year		**1,558**	**-23,639**
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains and losses on defined-benefit plans	27	**-328**	-881
Income tax		**96**	220
Other comprehensive income for the year, net of income tax		**-232**	-661
Total comprehensive income for the year		**1,326**	-24,300
Result attributable to:			
Shareholders of Telegraaf Media Groep N.V.		**1,326**	-23,421
Non-controlling interests		**-**	-879
Total comprehensive income for the year		**1,326**	**-24,300**

Consolidated statement of financial position

at 31 December

In thousands of euros	Note	**2016**	2015
ASSETS			
Non-current assets			
Intangible assets	14	**181,969**	237,432
Property, plant and equipment	15	**26,767**	49,726
Investments in associates		**48,143**	24
Deferred tax assets	29	**44,636**	38,397
Other receivables	17	**719**	1,077
Total non-current assets		**302,234**	326,656
Current assets			
Inventories	18	**1,175**	1,859
Tax assets	12	**46**	623
Trade and other receivables	19	**58,256**	73,811
Cash and cash equivalents	20	**19,485**	42,928
Assets classified as held for sale	21	**15,848**	62
Total current assets		**94,810**	119,283
Total assets		**397,044**	445,939
EQUITY AND LIABILITIES			
Equity			
Issued capital		**11,588**	11,588
Other reserves		**215,797**	223,592
Attributable to equity holders Telegraaf Media Groep N.V.	22	**227,385**	235,180
Non-controlling interests	25	**-**	-7,974
Total shareholders' equity		**227,385**	227,206
Liabilities			
Interest-bearing loans and borrowings	26	**-**	472
Post-employment benefit liabilities	27	**4,722**	5,183
Provisions	28	**-**	216
Deferred tax liabilities	29	**10,190**	18,023
Total non-current liabilities		**14,912**	23,894
Interest-bearing loans and borrowings	26	**6,200**	25,546
Trade and other payables	30	**131,593**	131,943
Provisions	28	**16,113**	36,209
Tax payable	12	**841**	1,141
Total current liabilities		**154,747**	194,839
Total liabilities		**169,659**	218,733
Total equity and liabilities		**397,044**	445,939

Consolidated statement of cash flows

In thousands of euros	Note	**2016**	2015
Cash flow from operating activities			
Result for the year		**1,558**	-23,639
Adjustments for:			
Depreciation of property, plant and equipment	15	**7,817**	9,498
Amortisation of intangible assets	14	**7,317**	19,143
Impairment losses intangible assets	14	**182**	-
Impairment losses on property, plant and equipment	8	**2,073**	6,117
Impairment losses financial assets		**-**	691
Net financing costs	10	**636**	1,758
Gain on sale of property, plant and equipment	5	**-671**	-999
Share of result from investments recognised using the equity method	10	**-721**	-
Result from associates	13	**-4,284**	40
Income tax	11	**514**	841
		14,421	13,450
Movement in inventories		**684**	4,792
Movement in trade and other receivables		**7,534**	514
Movement in trade and other payables		**2,336**	-79
Movement in provisions and post-employment benefits		**-21,183**	3,362
		3,792	22,039
Interest received		**144**	244
Interest paid		**-736**	-923
Income taxes paid		**-6,051**	-5,048
Net cash from operating activities		**-2,851**	16,312
Cash flow from investing activities			
Dividends received		**1,163**	142
Investments in intangible assets	14	**-7,043**	-3,966
Investments in property, plant and equipment	15	**-4,447**	-7,640
Acquisition of operations, net of cash acquired	3	**58**	-
Acquisition of associates		**-1,106**	-153
Disposals of associates and other financial assets		**11**	106
Disposals of operations, net of cash disposed of		**-3**	-
Disposals of intangible assets	14	**27**	-
Disposals of property, plant and equipment		**5,128**	1,406
Net cash flow from investing activities		**-6,212**	-10,105
Cash flow from financing activities			
Dividend paid	23	**-7,416**	-
Proceeds from borrowings	26	**5,000**	-
Redemption of borrowings		**-6,264**	-5,635
Movement in non-controlling interests	22	**-5,700**	-
Net cash used in financing activities		**-14,380**	-5,635
Net decrease in cash and cash equivalents		**-23,443**	572
Cash and cash equivalents as at 1 January		**42,928**	41,260
Movement in cash and cash equivalents in assets held for sale		**-**	1,096
Cash and cash equivalents at 31 December		**19,485**	42,928

Consolidated statement of changes in equity

		Attributable to equity holders of Telegraaf Media Groep N.V.				
In thousands of euros	Note	Share capital	Other reserves	Total	Non-controlling interests	Total equity
Balance as at 1 January 2015		11,588	247,131	258,719	-8,018	250,701
Result for the year		-	-22,760	-22,760	-879	-23,639
Other comprehensive income for the year, net of income tax		-	-661	-661	-	-661
Total comprehensive income for the year		-	-23,421	-23,421	-879	-24,300
Acquisition of minority interests	25	-	-118	-118	923	805
Change in non-controlling interests		-	-	-	-	-
Balance as at 31 December 2015		11,588	223,592	235,180	-7,974	227,206
Result for the year		**-**	**1,558**	**1,558**	**-**	**1,558**
Other comprehensive income for the year, net of income tax		**-**	**-232**	**-232**	**-**	**-232**
Total comprehensive income for the year		**-**	**1,326**	**1,326**	**-**	**1,326**
Dividends paid to shareholders	23	**-**	**-7,416**	**-7,416**	**-**	**-7,416**
Acquisition of minority interests	25	**-**	**-1,705**	**-1,705**	**7,974**	**6,269**
Balance as at 31 December 2016		**11,588**	**215,797**	**227,385**	**-**	**227,385**

Notes to the consolidated financial statements

1. Accounting policies

General information
Telegraaf Media Groep N.V. (the Company) has its registered office in Amsterdam, the Netherlands. Its primary activities 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 Company's consolidated financial statements for the year ended 31 December 2016 incorporate the Company and its subsidiaries (together referred to as TMG), jointly-controlled entities and TMG's interests in associates.

The financial statements have been prepared by the Executive Board. They were signed by the Executive Board and the Supervisory Board on 7 March 2017.

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

Basis of preparation
The financial statements are presented in euros, rounded to the nearest thousand. Following a change in the law, public interest entities are no longer permitted to present an abridged statement of profit or loss in the company financial statements (as previously permitted pursuant to Section 402 of Book 2 of the Netherlands Civil Code). This change has only a small impact given the limited activities within Telegraaf Media Groep N.V.

Changes in accounting policies
The accounting policies presented in these consolidated financial statements have been applied consistently in 2016 and 2015 except as stated below. Various changes in IFRS standards have been in force since January 2016 and their nature and impact are as follows:

- IAS 19 Employee Benefits – Defined benefit plans: employee contributions, effective for financial statements starting on or after 1 January 2016.
- IAS 16 and IAS 38 Property, plant and equipment and intangible assets – Clarification of acceptable methods of depreciation and amortisation (effective for financial statements starting on or after 1 January 2016).
- IFRS annual improvements cycle 2010-2012 (effective for financial statements starting on or after 1 January 2016).
- IFRS annual improvements cycle 2012-2014 (effective for financial statements starting on or after 1 January 2016).
- IAS 1 Presentation of Financial Statements – Disclosure initiative (effective for financial statements starting on or after 1 January 2016).

The changes do not currently impact TMG's financial position or accounting policies. Where necessary, disclosures and presentation will be amended in accordance with the changes in IFRS.

Changes in presentation
Certain comparative figures have been restated in line with the current presentation. The revenue categories have been changed compared to 2015 to provide a better view of the revenue per business unit; the comparative figures for 2015 have been restated.

Critical accounting estimates and judgements
When preparing the financial statements, management made judgements, estimates and assumptions which affect the application of the accounting policies and 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 in the circumstances. The outcomes of these form the basis for the evaluation of the carrying amount of assets and liabilities where this is not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The items where estimates may have a material effect on the amounts recognised are:

- intangible assets (useful life, discount rate and impairment: see note 14);
- property, plant and equipment (useful life and impairment: see note 15);
- investment in associates (measurement at fair value as initial measurement at cost: see note 16);
- trade receivables (impairment: see note 19);
- post-employment benefits (discount rate and growth of obligations: see note 27);
- restructuring provision (amount of severance payments and form of redundancy: see note 28);
- provision for legal disputes (probability and amount: see note 28);
- ldeferred tax assets and liabilities (rate and term and utilisation of carry-forward losses: see note 29).

See the note referred to for individual items for the judgements and assumptions made by management when preparing the financial statements.

Basis of consolidation
The consolidated financial statements incorporate the financial information of TMG and its subsidiaries. The consolidation uses the parent company's accounting policies.

Subsidiaries
Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an entity such that it is exposed, or has rights, to variable returns from its involvement and has the ability to use its power to affect its returns. The financial statements of subsidiaries are incorporated in the consolidated financial statements from the date that control commences until the date that control ceases. Material substantive potential voting rights are taken into account in assessing whether control exists.

Profit and loss and each component of other comprehensive income are attributed to the owners of the subsidiary and its non-controlling interests.

Joint arrangements
A joint operation is an agreement under which the Company exercises joint control and has rights to the assets and obligations for the liabilities. The following are recognised for joint operations where there is joint control:

- rights to the assets and obligations for the liabilities; and
- associated rights to revenue and obligations for the related expenses.

Joint ventures where joint control is exercised are recognised using the equity method and initially measured at cost. Cost includes transaction costs. Subsequently, the consolidated financial statements recognise the Company's share of the realised and unrealised results using the equity method until there is no further significant influence or joint control. Changes in the value of joint ventures as a result of dilution are recognised through profit or loss as share of result of associates.

Associates
Associates are those entities over which TMG exercises significant influence, but not individual or joint control, over the financial and operating policies. Subsidiaries and joint arrangements are not associates. The consolidated financial statements include TMG's share of the total result of associates using the equity method from the date that significant influence commences until the date that significant influence ceases. Changes in the value of associates as a result of dilution are recognised through profit or loss as share of result of associates.

Goodwill identified on acquisition is recognised in the carrying amount of the investee net of any accumulated impairment. TMG's consolidated financial statements include its share of the revenue and expenses and equity movements of investees, after adjustment to align the accounting policies with those of TMG. Impairment is recognised immediately through profit or loss. If 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 when preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities are eliminated in proportion to 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 recognised in the consolidated financial statements from or until the share transfer date. If necessary, the figures of subsidiaries are adjusted to align them with the accounting policies with those of TMG.

Foreign currency

Foreign currency transactions

Transactions denominated in foreign currencies are translated into euros at the exchange rate ruling at the date of the transaction.

The statement of financial position consists of monetary and non-monetary items. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the reporting date at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss. Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies measured at fair value are translated into euros at the exchange rate ruling at the date the fair value was determined.

Assets and liabilities of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the exchange rate ruling at the reporting date. Revenues and expenses of foreign operations are translated into 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, the relevant amount in the translation reserve is transferred to the statement of profit or loss.

Intangible assets

Goodwill

Goodwill represents amounts arising on the acquisition of a subsidiary, associate or joint arrangement.

The consideration for a subsidiary, associate or joint arrangement is equal to the amount paid for the acquisition of the interest. If the consideration is higher than the share of the fair value of the identifiable assets, liabilities and contingent liabilities on the acquisition date, the excess is recognised as goodwill. Goodwill is stated at cost less any accumulated impairment. Goodwill is attributed to cash generating units and is not amortised. Instead, it is tested annually for impairment (see impairment accounting policy). The carrying amount of goodwill for associates and joint arrangements is recognised in the carrying amount of the investee. When an interest in a subsidiary, associate or joint arrangement is disposed of, the corresponding goodwill is included in the determination of the result of the transaction. Negative goodwill that arises during an acquisition is recognised directly in the statement of profit or loss. Acquisitions of non-controlling interests are accounted for as transactions between shareholders within equity and therefore no goodwill is recognised as a result of these transactions.

Other intangible assets

Other intangible assets are licences, internally-developed information systems and trademarks and publishing rights with a finite life. The other intangible assets acquired by TMG are measured at cost less accumulated amortisation and impairment (see impairment accounting policy). Expenditure for development activities where 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 and can be separately identified, if the expenses can be measured reliably and if TMG has sufficient resources to complete the development.

The capitalised costs comprise the cost of materials, direct labour and the directly-attributable proportion of overheads. A statutory reserve is formed for the amount capitalised. Other development expenditure is recognised in the statement of profit or loss as an expense when incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and impairment.

Subsequent expenditure
Subsequent expenditure on capitalised intangible assets is recognised in the statement of profit or loss unless it increases the future economic benefits embodied in the specific asset to which it relates. In that case, the costs are capitalised insofar as they increase the economic benefits.

Borrowing costs
Borrowing costs relating to acquisitions or specific internally-developed assets, are capitalised.

Amortisation
Amortisation is charged to the statement of profit or loss on a straight-line basis over the estimated useful life of an intangible asset unless such life is 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 2 - 5 years

The amortisation method and estimated useful lives are assessed annually.

Leases
Leases under which TMG has substantially all the risks and rewards of ownership are classified as finance leases. The leased asset is initially recognised at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequently, the asset is recognised in accordance with the applicable accounting policy. Other leases are operating leases and the assets are not recognised in TMG's statement of financial position.

Property, plant and equipment
Owned assets
Property, plant and equipment is stated at cost less accumulated depreciation and impairment (see impairment accounting policy). Property, plant and equipment under construction is stated at the cost of the new building, machinery or equipment.

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 in 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 or loss as an expense when incurred.

Borrowing costs
Borrowing costs relating to acquisitions or specific internally-developed assets, are capitalised.

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

The estimated useful lives are as follows:
- buildings 8 - 25 years
- machinery and equipment 5 - 10 years
- other assets 3 - 5 years

The depreciation method, estimated useful lives and residual values are assessed annually.

Investment in associates
On acquisition, an associate is initially recognised at cost (being the fair value when the shares are acquired plus expenses directly attributable to the transaction). Subsequently, associates are recognised using the equity method, under which the carrying amount of the associate is increased or decreased by the share of the result and movement in equity less dividends received from the associate. Any off-balance sheet liabilities relating to associates for which TMG may be held liable are disclosed in the note on off-balance sheet assets and liabilities (note 32).

Other receivables
Prepaid operating leases comprise the purchased ground rents for the land of the campus in Amsterdam. These are amortised on a straight-line basis over the duration of the leaseholds concerned. Non-current receivables are initially recognised at cost less attributable transaction costs and subsequently measured at amortised cost, with a difference between the cost and the redemption amount using the effective interest method being recognised in the statement of profit or loss over the duration of the receivables.

Inventories
Inventories are stated at the lower of cost and net realisable value. 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' (fifo) method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

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

If TMG has the positive intent to hold financial instruments to maturity, they are stated at amortised cost less impairment. Other financial instruments held by TMG are classified as being available for sale and are measured at fair value with any resulting gain or loss being recognised in the 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 accumulated gain or loss recognised directly through equity is recognised in the statement of comprehensive income.

Financial instruments
TMG does not use derivative financial instruments to hedge interest rate risk exposures and does not apply hedge accounting.

Trade and other receivables
Trade and other receivables are initially recognised at fair value. Subsequently they are recognised at amortised cost less impairment.

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

Impairment
The carrying amount of TMG's assets is reviewed at each reporting 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 the calculation of recoverable amount).

The recoverable amount of goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit it belongs to exceeds the recoverable amount.

Impairment losses are recognised in the statement of profit or 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 reduction in the fair value of an available-for-sale financial asset has been recognised directly in 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 or loss, even though the financial asset has been derecognised. The accumulated loss that is recognised in the statement of profit or loss is the difference between cost and the current fair value less any impairment loss on that financial asset previously recognised in the statement of profit or loss.

Calculation of the recoverable amount

The recoverable amount of TMG's investments in securities held to maturity and receivables measured at amortised cost 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 when the financial assets were initially recognised). Receivables with a short residual term are not discounted to present value. The recoverable amount of other assets and associates is the higher of realisable value and the value in use. When determining the value in use, the present value of the estimated future cash 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. The realisable value of an asset that generates no cash receipts which are significantly independent of those of other assets is determined for the cash generating unit to which the asset belongs.

Reversal of impairment

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

Impairment losses on goodwill are not reversed. Impairment losses on other assets are 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.

Equity

Issued capital

The issued capital is the nominal amount of shares in issue.

Other reserves

Other reserves are the accumulated amount of annual comprehensive income attributable to the shareholders and changes in non-controlling interests less dividends distributed.

Non-controlling interests

Non-controlling interests are the portion of the profit or loss and net assets of a subsidiary attributable to equity interests of third parties. In the event of both a written put and a call option on shares, those 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 do not result in a loss of control are accounted for as equity transactions. Any difference between the carrying amount of the non-controlling interest and the transaction price is recognised directly in equity as a transaction between shareholders.

Repurchase of shares
When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs and net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and presented as a separate deduction from equity. The amount received for repurchased shares classified as treasury shares that are sold or reissued subsequently is recognised as an increase in equity and the resulting surplus or deficit on the transaction is transferred to/from retained earnings. Repurchased shares are deducted from issued capital at 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 less costs relating to the loan or borrowings. Subsequently, interest-bearing loans and borrowings are measured at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the loans and borrowings on an effective interest basis.

Employee benefits
Pension plans
TMG has established various pension plans, some administered under its own management through 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 plan by estimating the amount of future entitlements that employees have accrued in return for their service in the current and prior reporting periods. Those entitlements are discounted to determine their present value. Any unrecognised past-service costs and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on corporate bonds with at least an AA credit rating and maturities approximating to the terms of TMG's obligations. The calculation is performed by a certified actuary using the 'projected unit credit' method.

Actuarial gains and losses that arise when calculating TMG's obligation in respect of a plan, the effect of the changes in the asset ceiling and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position over the expected average remaining service period of the employees who are members of the plan.

Where the calculation results in a gain for TMG, the asset recognised 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. If the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the statement of 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 recognised immediately in the statement of profit or loss. The result ensuing from the curtailment or termination of a defined-benefit plan is recognised in the statement of profit or loss immediately the curtailment or termination exists. The result consists of service costs and net interest expense and/or income. Other movements are recognised 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 or loss as incurred. Industry-wide pension funds for which no reliable information is available are treated as defined-contribution plans.

c. Long-service schemes
TMG's employment conditions include a long-service scheme under which employees who reach a certain length of service receive a gross payment. Under IAS 19 'Employee Benefits', a provision has been formed for the liability arising from the long-service scheme. This provision is calculated in the same way as the provision for the defined-benefit pension schemes. Actuarial gains and losses are recognised immediately in the statement of profit or loss. Benefits paid under the long-service scheme during the financial year are charged against the provision. The movement in the provision for the long-service scheme is recognised in the statement of profit or loss.

Share-based payments
Cash-settled share-based payments are a conditional element of remuneration which when granted are subject to the recipient meeting set performance criteria after a period of four years (the performance period). Payment is only made if the recipient is still in employment after the four-year period. A pro-rata grant may be made in certain circumstances if the contract of employment is terminated in the intervening period. The amount payable at the end of the four-year period is estimated at the end of each year and a proportionate amount is charged to profit or loss during the performance period.

Provisions
A provision is recognised in the statement of financial position when TMG has a 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 agreed a detailed and formalised restructuring plan and the restructuring has either commenced or has been announced publicly and TMG has no possibility of withdrawing the plan. Termination benefits are recognised as an expense when TMG is demonstrably committed to either terminating the employment of current employees and/or job grades. To the extent they can be reliably estimated, benefits falling due more than 12 months after the reporting 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.

Trade and other payables
Trade and other payables are stated at fair value. Subsequent recognition is at amortised cost.

Determination of fair value
A number of TMG's accounting policies and disclosures require the determination of fair value of financial and non-financial assets and liabilities. The following methods are used to determine fair value for measurement and/or disclosure purposes.

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 value. 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 in which 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 market prices for similar assets.

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

Derivatives
The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the 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 expected future cash flows or market observations and/or appraisals by a broker used to determine the expected net realisable value.

Further information on the assumptions made when determining fair values is disclosed in the notes to a specific asset or liability.

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

Barter transactions
If advertising space or time is exchanged or swapped for advertising space or time of a similar nature, fair value and target audience, 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 that 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 and that can be converted into cash in the short term.

If the fair value of goods or services received cannot be measured reliably, revenue is determined on the basis of the fair value of the exchanged goods or services plus or minus cash or assets which have been received or paid and that can be converted into cash in the short term

Government grants
Government grants are initially recognised in the statement of financial position if received in advance and recognised as income when there is reasonable assurance that they will be received and that TMG will comply with the conditions attached to them. Grants that compensate TMG for expenses are recognised systematically in the statement of profit or loss in the same period the expenses are incurred.

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

The minimum lease payments for finance 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 minimum lease payments over the remaining lease term as soon as the amendment of the lease is confirmed.

Financial income and expense

The share of result of associates is TMG's share of the total result of an associate for the period in which TMG has significant influence. When determining the share of result of associates, where necessary the associates' accounting policies are brought into line with those of TMG.

A change in the value of a financial instrument through profit or loss is recognised as financial income and expense.

Financial income and expense includes 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 expense is recognised in the statement of profit or loss using the effective interest method. Dividend income is recognised in the statement of profit or loss when the dividend is declared. Foreign currency gains and losses are reported net. Borrowing costs that are not directly attributable to an acquisition are recognised in the statement of profit or 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 or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided for using the balance sheet liability method, forming a provision 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-deductible goodwill and the initial recognition of assets or liabilities which affect neither the commercial nor the fiscal profit and differences related to investments in subsidiaries insofar 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, using tax rates in force or which had been enacted on the reporting date. A deferred tax liability is measured at nominal value. 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. Deferred tax assets for losses carried forward are recognised only to the extent that it is probable that they can be utilised against future taxable profits.

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 unit of TMG that delivers goods or services or that delivers goods or services with other TMG units. All operating segments' operating results are reviewed regularly by the Executive Board for decision-making on allocating 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 those relating to an operation to be disposed of if that operation is available for immediate sale and a sale is highly probable. Liabilities related to these assets are classified as liabilities held for sale. Assets are not depreciated from the time they are classified as held for sale. Assets and liabilities held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Where necessary, external appraisals are used for the valuation. Impairment losses on assets held for sale are recognised in the statement of profit or loss.

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.

Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method, distinguishing between operating, investment and financing activities. The cash flow from operating activities is adjusted for items in the statement of profit or loss and movements in items in the statement of financial position that have no effect on the cash flow for the year.

New accounting standards and interpretations not yet applied

Certain amendments to standards and interpretations are not yet in force and have not been applied in these financial statements. TMG has decided not to apply the following new standards early: IFRS 9 'Financial instruments', IFRS 15 'Revenue from contracts with customers' and IFRS 16 'Leases'. The impact of these new standards on the TMG's financial statements is set out below:

IFRS 9 'Financial Instruments'

The impact of IFRS 9 on TMG's financial statements is expected to be very limited mainly because TMG has almost only current receivables and liabilities, does not have complex financial instruments and does not apply hedge accounting.

IFRS 15 'Revenue from contracts with customers'

TMG started a project with external reporting specialists in 2016 to determine the impact of IFRS 15. The current status is that the revenue categories that will be affected by the implementation of IFRS 15 have been identified. The financial impact and impact on systems will be addressed further during 2017. The greatest impact of IFRS 15 is expected to be on the following revenue categories:

Subscription income:

- TMG uses third-parties to acquire subscribers and pays them a fee for this. Under IFRS 15, the cost of acquiring subscriptions of longer than one year will be capitalised and amortised over the term of the subscription. This will result in phased recognition of the acquisition costs over the term of the subscription and the presentation of these costs as an amortisation charge instead of selling expenses.

Single-copy sales:

- TMG uses various distribution channels, distributors and sales outlets for its print and other products. The arrangements with the distributors and sales outlets may differ in respect of returns, pricing, TMG's influence over the outlets, etc. The changes in assessing the agent/principal classification under IFRS 15 mean that in some cases the distributor or sales outlet will be seen as an agent while under IAS 18 they were treated as principals. This will lead to an increase in revenue from single-copy sales and in selling expenses. There is no effect on the result.

Print and digital advertising revenue:

- Barter transactions: TMG regularly enters into similar barter transactions (advertising space and time for advertising space and time) with third parties. Under current revenue recognition standards, no revenue or expenses are recognised. Under IFRS 15, there will be higher advertising revenue and higher expenses. There is no effect on the result.
- Umbrella contracts: TMG enters into umbrella contracts with large advertisers under which they place advertisements with different brands and across different channels (print, online display, online video, etc.). TMG will have to allocate the contract revenue to the different performance obligations, with performance possibly being delivered at different times. These contracts were still small in volume in 2016 but this type of contract is expected to increase in the coming year.

E-commcerce revenue:

- TMG generates revenue through online sales of third-party products (‘e-commerce revenue’). The changes in the assessment of the agent/principal classification under IFRS 15 mean that in some transactions TMG will be acting as agent while under IAS 18 it was regarded as the principal. This will lead to a reduction in e-commerce revenue and cost of sales. There is no effect on the result.

IFRS 16 ‘Leases’

The impact of IFRS 16 has been examined and will lead to recognition of certain leases on the balance sheet. This applies mainly to a limited number of leased buildings (TMG owns the majority of its buildings), cars and printers.

During its Investor Relations day on 29 September 2016, TMG announced that it was examining the sale and leaseback of the land and buildings on Basisweg. The implementation of IFRS 16 will mean that the lease obligations of the leaseback will be recognised on the statement of financial position under IFRS 16.

2. Segment reporting

In thousands of euros	TMG Landelijke Media **2016**	TMG Landelijke Media 2015	TMG Digital **2016**	TMG Digital 2015
Continuing operations				
Revenues from third-party transactions	**201,870**	222,790	**34,988**	32,949
Intercompany transactions	**-**	-	**-**	-
Total revenue	**201,870**	222,790	**34,988**	32,949
Segment result before depreciation, amortisation and impairment losses	**52,361**	61,171	**2,870**	2,738
Total depreciation, amortisation and impairment losses	**312**	1,890	**778**	2,852
Operating result	**52,049**	59,281	**2,092**	-114
Share of result of associates	**-**	-140	**55**	100
Financial income	**12**	11	**10**	-10
Financial expense	**-12**	-26	**-**	-37
Income tax	**-7,771**	-10,537	**651**	36
Result for the year on continuing operations	**44,278**	48,589	**2,808**	-25
Result from discontinued operations after tax	**-**	-	**-**	-
Net result for the year	**44,278**	48,589	**2,808**	-25
Segment assets	**26,780**	31,722	**12,100**	13,352
Investments in associates	**-**	24	**374**	-
Total assets as at 31 December	**26,780**	31,746	**12,474**	13,352
Segment liabilities	**46,835**	57,972	**1,511**	5,367
Total liabilities as at 31 December	**46,835**	57,972	**1,511**	5,367
Segment capital expenditure	**172**	1,759	**260**	275
Total capital expenditure	**172**	1,759	**260**	275
Restructuring costs	**5,420**	10,599	**323**	-
Impairment losses on intangible assets	**-**	-	**-**	-
Impairment losses on property, plant and equipment	**-**	-	**-**	-
Other material non-cash items	**5,420**	10,599	**323**	-
Average number of employees (FTE)	**508**	583	**127**	110

Operating segments

The segment structure was revised with effect from 2016. TMG Digital, which was part of TMG Landelijke Media until 2016, is now managed as a separate segment. In addition, the ICT departments and activities of the various segments have been centralised in the Head Office segment. Sky Radio Group has been held for sale since January 2016 and is no longer presented as a segment. The comparative figures for 2015 have been restated.

TMG comprises the following main operating segments:
TMG Landelijke Media: publishing national newspapers, magazines, print-related internet activities and video productions.
TMG Digital: business unit combining all primary online platforms and e-commerce activities since 1 January 2016.
Holland Media Combinatie: publishing regional newspapers, free door-to-door papers and print-related internet activities.

nd Media Combinatie		Keesing Media Group		Facilitating services		Headoffice & Other		Total	
2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
93,148	102,265	**72,902**	70,922	**17,367**	22,593	**764**	889	**421,039**	452,408
-	-	**235**	220	**66,006**	72,633	**-66,241**	-72,853	**-**	-
93,148	102,265	**73,137**	71,142	**83,373**	95,226	**-65,477**	-71,964	**421,039**	452,408
20,263	28,120	**21,466**	20,614	**-36,877**	-57,058	**-51,102**	-47,867	**8,981**	7,718
2,095	1,246	**4,551**	4,135	**6,207**	13,833	**3,445**	504	**17,388**	24,460
18,168	26,874	**16,915**	16,479	**-43,084**	-70,891	**-54,547**	-48,371	**-8,407**	-16,742
-	-	**16**	-	**-**	-	**643**	-	**714**	-40
-	-	**138**	269	**-**	-	**-**	3	**160**	273
-	-	**-141**	-221	**-8**	-	**-742**	-928	**-903**	-1,212
-1,895	-7,760	**-4,340**	-4,215	**13,085**	2,061	**2,891**	18,508	**2,621**	-1,907
16,273	19,114	**12,588**	12,312	**-30,007**	-68,830	**-51,755**	-30,788	**-5,815**	-19,628
-	-	**-**	-	**-**	-	**7,373**	-4,011	**7,373**	-4,011
16,273	19,114	**12,588**	12,312	**-30,007**	-68,830	**-44,382**	-34,799	**1,558**	-23,639
17,739	21,582	**151,262**	153,112	**51,953**	56,745	**89,067**	169,402	**348,901**	445,915
-	-	**772**	-	**-**	-	**46,997**	-	**48,143**	24
17,739	21,582	**152,034**	153,112	**51,953**	56,745	**136,064**	169,402	**397,044**	445,939
25,629	25,783	**33,699**	33,921	**-2,965**	25,030	**64,950**	70,660	**169,659**	218,733
25,629	25,783	**33,699**	33,921	**-2,965**	25,030	**64,950**	70,660	**169,659**	218,733
124	310	**1,374**	1,259	**2,832**	5,940	**6,728**	2,063	**11,490**	11,606
124	310	**1,374**	1,259	**2,832**	5,940	**6,728**	2,063	**11,490**	11,606
4,800	665	**591**	366	**-154**	17,038	**2,046**	-1,699	**13,026**	26,969
141	-	**41**	-	**-**	-	**-**	-	**182**	-
1,347	-	**-**	-	**726**	6,808	**-**	2	**2,073**	6,810
6,288	665	**632**	366	**572**	23,846	**2,046**	-1,697	**15,281**	33,779
431	484	**273**	270	**283**	439	**168**	137	**1,790**	2,023

Keesing Media Group: publishing puzzle booklets in Europe
Facilitating Services: activities including the printing and distribution of newspapers and providing office space and related facilities mainly for the TMG Landelijke Media and Holland Media Combinatie segments.
Head Office and other: in addition to Classic FM and eliminations, includes the Executive Board, Corporate Communication, Corporate Development, Internal Audit & Risk Management, HRM, ICT and Legal corporate departments.

Segment information is presented for TMG's business and geographical segments. The segment results are based on the organisational management structure used within TMG and the nature of the activities. Results are reported to the Executive Board monthly for decision-making on performance and allocation of resources within the segments. Support activities such as printing and distribution are reviewed at group level and not allocated to operating segments. The internal allocation of costs was changed in 2015 and the recharging of fixed costs to segments was ended.

Prices for transactions between segments, mainly newspaper printing and distribution costs are set on a commercial and objective basis. A segment's results, assets and liabilities comprise items that can either directly or reasonably be attributed to it. A segment's capital expenditure includes the total cost incurred during the reporting period for the acquisition of assets which are expected to be in use for more than one reporting period.

The decline in revenue and operating profit at TMG Landelijke Media and Holland Media Combinatie was caused mainly by lower print advertising revenue. The increase in revenue at TMG Digital came from growth in e-commerce (GroupDeal.nl). The increase in revenue and operating profit at Keesing Media Group was due to price increases and growth in the number of editions per year. The decline in revenue at Facilitating Services came partly from ending printing for third parties. The fall in operating profit at the Head Office was mainly a result of higher consultancy fees and cost of temporary staff, in part in connection with various cost reduction programmes and investment in new products by the ICT department.

Geographical segments

The presentation of information based on geographical segments uses the geographical location of the customer for a segment's revenue. A segment's non-current assets are determined from their geographical location.

Revenue and non-current assets by geographical area:

		2016
In thousands of euros	**Revenues**	**Non-current assets[1]**
The Netherlands	**357,056**	**213,580**
Other countries	**63,983**	**44,018**
Total	**421,039**	**257,598**

1 Excluding deferred tax assets.

		2015
	Revenues	Non-current assets[1]
The Netherlands	389,661	248,223
Other countries	62,747	40,036
Total	452,408	288,259

1 Excluding deferred tax assets.

Revenue and non-current assets in other countries include 44,385 (2015: 44,211) and 39,106 (2015: 39,924) respectively for puzzle activities in France.

3. Business combinations

TMG Landelijke Media B.V. acquired a 100% holding in the activities of International Fashion Week B.V. (IFW) on 28 April 2016. IFW has been consolidated in Telegraaf Media Groep N.V. (TMG) since 1 May 2016 and its operations have also been included in the TMG fiscal unity since that date. The results between 1 January and 1 May have been incorporated in the opening statement of financial position. The acquisition of IFW fits TMG's strategy of providing 24/7 online and offline content to its subscribers, directed by the strong brands in TMG's portfolio.

The initial purchase price of IFW was 500 and goodwill was established at 910. The purchase price will be paid in instalments. Management agreements that have been entered into with two former shareholders include retention bonuses. These bonuses are being recognised in the statement of profit or loss over the period in which they work for IFW and consequently do not form part of the initial purchase price.

4. Revenue

In thousands of euros	**2016**	2015
Print-only subscriptions	**61,328**	95,409
Combi-subcriptions	**114,378**	86,394
Digital-only subscriptions	**4,003**	3,257
B2C - subscriptions	**179,709**	185,060
Single copy sales	**91,771**	92,111
Other revenues (E-commerce)	**22,761**	21,142
B2C- transactions	**114,532**	113,253
Print advertisements	**70,727**	89,136
Digital advertisements	**28,871**	32,643
B2B - advertisements	**99,598**	121,779
Distribution and printing	**17,237**	21,404
Other revenues	**9,294**	9,913
Total	**420,370**	451,409

The revenue of 420,370 (2015: 451,409) included barter transactions of 2,657 (2015: 3,260). Revenue declined in part due to lower subscription income and advertising revenue.

Subscription income (B2C subscriptions) consists of print-only subscriptions, combined print and digital access subscriptions (and digital-only subscriptions. Many print-only subscriptions for De Telegraaf were converted into combined subscriptions on 1 July 2016. This explains the sharp fall in revenue from print-only subscriptions and the sharp increase in revenue from combined subscriptions.

B2C transactions comprise single-copy sales and other transactions, mainly e-commerce transactions, with consumers. E-commerce revenue is from buying and selling products and services by internet, mainly through GroupDeal.

B2B advertisements are the revenue from print and digital advertising.

The decline in revenue from distribution and printing is mainly attributable to ending commercial printing for third parties following the decision to reduce the number of printing presses from 10 to 4.

Other revenue includes revenue from video-productions, events (including Amsterdam FashionWeek) and the iPad campaign by De Telegraaf.

5. Other operating income

In thousands of euros	**2016**	2015
Gain on sale of property, plant and equipment	**669**	999
Total	**669**	999

The gain on sale of property, plant and equipment related to the sale of buildings by TMG Landelijke Media (Haarlem and Utrecht) in 2016 and to the sale of buildings by the Facilitating Services segment in 2015.

6. Raw materials and consumables

In thousands of euros	**2016**	2015
Paper and ink	**20,052**	27,189
Consumables	**680**	1,690
Total	**20,732**	28,879

The decrease in the cost of paper and ink was mainly a result of lower volumes because of the decline in circulation and the ending of commercial printing for third parties.

7. Employee benefits

In thousands of euros	Notes	**2016**	2015
Wages and salaries		**105,949**	115,364
Compulsory social security contributions		**15,919**	18,380
Pension costs	27	**10,822**	9,652
Other employee benefits		**30,196**	24,391
		162,886	167,787
Restructuring costs	28	**13,026**	26,969
Total		**175,912**	194,756

The average number of employees (FTE) was 1,790 (2015: 2,023), of whom 184 (2015: 193) are abroad. Wages and salaries declined mainly due to the outflow of employees as a result of the cost reduction programme. This also reduced the social security contributions.

A one-time release of 2,400 was included in pension costs in 2015 due to the reduction in the reimbursement of medical expenses for pensioners. Ignoring this, there was a reduction in pension costs.

Other employee benefits increased due to higher costs of temporary staff, in part in connection with various cost reduction programmes and the development of new products.

Other employee benefits included 508 for the phantom share plan. See the note Remuneration of the members of the Executive and Supervisory Boards for more information on this plan. A number of managers joined the plan in 2016 in addition to the Executive Board. 546,679 phantom shares were outstanding at 31 December 2016 (31 December 2015: 135,691) and the liability was 584 (31 December 2015: 76).

Restructuring costs cover both large-scale and individual redundancy plans.

8. Depreciation, amortisation and impairment losses

In thousands of euros	Notes	**2016**	2015
Impairment losses on financial fixed assets		**-**	827
Reversal of impairment losses financial fixed assets		**-**	-136
Depreciation	15	**7,816**	9,036
Impairment losses property, plant and equipment	15	**2,073**	6,810
Reversal impairment losses property, plant and equipment		**-**	-693
Amortisation	14	**7,317**	8,616
Impairment losses intangible assets	14	**182**	-
Total		**17,388**	24,460

The impairment losses on financial assets of 827 in 2015 related to prepaid ground rent for a building no longer in use as a result of the restructuring of the printing activities. In 2015, a building that had been out of use since 2012 was returned to service, resulting in a reversal of previously recognised impairment losses of 693 on property, plant and equipment and 136 on financial assets.

An impairment loss on property, plant and equipment was recognised in 2016 to reduce properties held for sale to their lower realisable value less costs to sell. The lower realisable value was based on bids received in 2016. In 2015, the impairment loss related to machinery, printing presses and buildings of Facilitating Services as a result of the restructuring of the printing activities.

The impairment losses on intangible assets related mainly to a write down of the Dichtbij.nl brand as a result of the cessation of operations.

9. Other operating expenses

In thousands of euros	**2016**	2015
Transport and distribution costs	**65,658**	70,400
Subcontracted work and technical production costs	**41,260**	32,840
Selling costs	**20,129**	22,788
Editorial costs	**16,594**	16,293
Cost of e-commerce goods sold	**15,183**	13,335
Impairment of trade receivables	**588**	1,071
ICT costs	**20,222**	21,568
Accommodation	**8,481**	10,223
Other operating expenses	**27,299**	32,537
Total	**215,414**	221,055

Transport and distribution costs fell in 2016 as a result of lower average circulation of De Telegraaf and the regional newspapers, partly because of changes to the portfolio (closing the Sunday newspaper in 2015 and ending publication in Rotterdam).

Subcontracted work and technical production costs rose in 2016 as a result of subcontracting printing to third parties. TMG reduced the number of printing presses from 10 to 4 in 2016 and subcontracted some printing. Other operating expenses fell mainly due to movements in the provision for legal disputes.

10. Financial income and expense

In thousands of euros	**2016**	2015
Result from associates		
Share of result from associates	**721**	-
Other results of associates	**-7**	-40
Result from associates	**714**	-40
Financial income	**160**	273
Financial expenses	**-903**	-1,212
Total	**-29**	-979

The share of the result of associates related mainly to TMG's share of the result of Radio Newco B.V. in the fourth quarter of 2016.

11. Income tax

In thousands of euros	Notes	**2016**	2015
Current tax			
Current year		**5,916**	3,435
Prior-year adjustments		**-304**	-2,010
Deferred tax			
Prior-year adjustments	29	**-683**	5,316
Foreign tax rate adjustment	29	**-625**	-
Origination and reversal of temporary differences	29	**-3,886**	-6,120
Total income tax		**418**	621
Of which:			
Income tax recognised in the consolidated income statement		**-2,621**	1,907
Income tax on other results		**-96**	-220
Income tax on continuing operations		**-2,717**	1,687
Income tax on discontinued operations	13	**1,436**	-1,066
Income tax on sale of discontinued operations	13	**1,699**	-
Income tax on discontinued operations		**3,135**	-1,066
Total income tax		**418**	621

	2016	2015
Result before tax	**-8,436**	-17,721
Loss on sale from discontinued operations before tax	**-328**	-881
Result for the calculation of income tax	**-8,764**	-18,602
Tax rate in the Netherlands	**25.0%**	25.0%
Income tax based on Dutch tax rate	**-2,191**	-4,651
Effect of foreign tax rates	**797**	-1,320
Non-taxable profit	**-250**	-170
Non-deductible expenses	**100**	57
Results of non-resident associates not exempt from income tax	**-**	2,198
Write-off of pre-consolidation losses	**-**	3,046
Results of associates exempt from income tax	**-178**	-153
Unrecognised losses carried forward	**11**	26
Liquidation loss	**-**	-263
Gain from unrecognised losses carried forward	**-81**	-
Tax facilities	**-61**	-184
Prior-year adjustments	**-864**	3,101
Income tax on continued operations	**-2,717**	1,687

Prior-year adjustments in 2016 were differences between the returns to 2015 and the tax computed in the relevant financial statements. The adjustment recognised in 2016 mainly concerned liquidation losses on the participating interests in Cyprus not recognised in the 2015 financial statements.

Prior-year adjustments in 2015 related mainly to the participation exemption for a non-resident participating interest. The tax on its result amounted to 2,198 in 2015. In addition, recoverable pre-consolidation losses relating to Dichtbij.nl were impaired in 2015. It is no longer thought that these losses can be utilised within the period available for set off as a result of the restructuring of Dichtbij.nl in 2015.

Reconciliation of the effective tax rate

The effective tax rate on the result on all activities was 31.0% in 2016 (2015: -9.1%). The relationship between the tax rate in the Netherlands and the effective tax rate on income from total operations is as follows:

In percentages	**2016**	2015
Tax rate in the Netherlands	**25.0**	25.0
Tax effects of:		
Different rates	**-9.1**	7.1
Tax on share of results of associates	**-**	-11.8
Tax-exempt results and non-deductible costs	**5.2**	2.3
Liquidation loss	**-**	1.4
Write-off of pre-consolidation losses	**-**	-16.4
Prior-year adjustments	**9.9**	-16.7
Effective tax rate	**31.0**	-9.1

12. Current tax assets and liabilities

At year-end 2016, income tax of 46 was recoverable for the current and previous reporting periods (2015: 623). The current tax liability of 841 (2015: 1,141) related to the income tax payable for the current and previous years after deduction of prepayments. Both sums related at year-end 2016 to non-resident associates.

13. Discontinued operations

On 15 January 2016, TMG and Talpa agreed a comprehensive alliance which included combining radio activities. Under this, TMG sold Sky Radio Group (SRG) to Radio Newco B.V. and received a 22.85% holding in Radio Newco B.V. in exchange. See the note on investments in associates for further information.

In thousands of euros	**1/1-30/9 2016**	1/1-31/12 2015
Result from discontinued operations		
Total revenue	**19,892**	29,924
Wages and salaries	**3,496**	5,235
Social security contributions and pension costs	**882**	1,220
Other personnel costs	**218**	629
Other employee benefits	**179**	203
Amortisation	**-**	10,527
Depreciation	**-**	464
Other operating expenses	**9,007**	15,905
Total operating expenses	**13,782**	34,183
Operating result from discontinued operations	**6,110**	-4,259
Financial income and expense	**107**	-818
Income tax	**1,436**	-1,066
Result on discontinued operations after taks	**4,781**	-4,011
Gain on sale of discontinued operations	**4,291**	-
Income tax on gain on sale of discontinued operations	**1,699**	-
Result for the year	**7,373**	-4,011
Average number of employees (FTE)	**86**	93
Basic and diluted earnings per share from discontinued operations (EUR	**0.16**	-0.09
Cash flows from discontinued operations		
Cash flows from operating activities	**752**	631
Cash flows from investing activities	**-36**	-375
Cash flows from financing activities	**-4,286**	-4,524
Net cash flow from discontinued operations	**-3,570**	-4,268

From the time the decision was taken to sell the Sky Radio Group, its assets and liabilities were classified as assets and liabilities held for sale (see note 21) and amortisation and depreciation ceased. The book profit on the sale of Sky Radio Group comprised the transaction costs and the fair value of the rights and obligations (318) remaining with TMG, as agreed on the sale, including settlement of the dispute on the value of the Radio Veronica FM licence. The income tax of 1,699 on the book profit was a tax charge for the adjustment of the value of the Radio Veronica licence.

The net cash flow from financing activities related mainly to the payment for the Sky Radio licence.

In thousands of euros	**2016**	2015
Intangible assets	**55,890**	-
Property, plant and Equipment	**1,957**	-
Taks recievables	**715**	-
Trade and other receivables	**4,755**	-
Cash and cash equivalents	**3**	-
Deferred tax liabilities	**-8,878**	-
Interest-bearing loans and borrowings	**-7,215**	-
Accounts payables and other current liabilities	**-4,811**	-
Total assets and liabilities	**42,416**	0
Amounts to be paid	**46,707**	-
Loss on disposal of discontinued operations	**4,291**	-
Cashflow from of sold activities		
Cash disposed of	**-3**	-
Net cash outflows	**-3**	0

14. Intangible assets

In thousands of euros	Notes	Trade names and publishing rights	Licences	Goodwill	Software	Assets under construction	Total
Cost		107,669	46,111	250,679	52,866	1,315	458,640
Accumulated amortisation		42,358	25,543	4,471	42,098	-	114,470
Impairment		1,998	-	90,738	2,003	-	94,739
Carrying amount at 1 January 2015		63,313	20,568	155,470	8,765	1,315	249,431
Additions		-	-	-	796	3,170	3,966
Disposals		-	-	-	-18	-8	-26
Reclassification from assets held for sale		868	-	1,386	950	-	3,204
Amortisation	8,13	-6,785	-7,663	-	-4,695	-	-19,143
Assets under construction taken into use		-	-	-	2,136	-2,136	-
Total movements		-5,917	-7,663	1,386	-831	1,026	-11,999
Cost		113,622	46,111	252,065	53,939	2,341	468,078
Accumulated amortisation		54,228	33,206	4,471	44,002	-	135,907
Impairment		1,998	-	90,738	2,003	-	94,739
Carrying amount at 1 January 2016		57,396	12,905	156,856	7,934	2,341	237,432
Additions		**-**	**-**	**-**	**1,164**	**5,879**	**7,043**
Disposals		**-**	**-**	**-**	**-14**	**-13**	**-27**
Held for sale	21	**-29,264**	**-12,905**	**-13,665**	**-56**	**-**	**-55,890**
Reclassification		**37**	**-**	**-**	**-37**	**-**	**-**
Acquired in business combinations	3	**-**	**-**	**910**	**-**	**-**	**910**
Amortisation	8	**-2,871**	**-**	**-**	**-4,446**	**-**	**-7,317**
Impairment	8,13	**-141**	**-**	**-41**	**-**	**-**	**-182**
Assets under construction taken in use		**-**	**-**	**-**	**6,290**	**-6,290**	**-**
Total movements		**-32,239**	**-12,905**	**-12,796**	**2,901**	**-424**	**-55,463**
Cost		**70,899**	**-**	**154,402**	**50,665**	**1,917**	**277,883**
Accumulated amortisation		**43,603**	**-**	**4,471**	**37,827**	**-**	**85,901**
Impairment		**2,139**	**-**	**5,871**	**2,003**	**-**	**10,013**
Carrying amount at 31 December 2016		**25,157**	**-**	**144,060**	**10,835**	**1,917**	**181,969**

The segment structure was revised with effect from 2016. TMG Digital, which was part of TMG Landelijke Media until 2016, is now managed as a separate segment. The goodwill relating to these digital activities was allocated to the new segment in 2016. The comparative figures for 2015 have been restated.

Trademarks and publishing rights include acquired trademarks and publishing rights of Keesing Media Group. Given the strong relationship between trademarks and publishing rights, these items are not presented separately. The amortisation period of trademarks and publishing rights ranges from 5 to 20 years.

Goodwill arose mainly on acquisitions, in particular of Keesing Media Group (91,160). In addition, 12,000 relates to synergy effects resulting from acquisitions at De Telegraaf Drukkerij Groep. Goodwill is assumed to have indefinite life and is therefore not amortised.

The cost and accumulated amortisation of intangible assets fell in 2016 as a result of the reclassification of Sky Radio Group's operations as held for sale in January 2016. The carrying amount of the intangible assets at that time was 55,890. This asset has not been amortised since reclassification.

182 was written down during 2016, mainly on the Dichtbij.nl brand which ceased operations in 2016.

Additions include information systems at TMG Landelijke Media and Head Office of which 1,001 were developed in-house. Sub-projects were still under construction on the reporting date. The information systems will be taken in use in 2017.

Impairment test

For the impairment test, intangible assets are allocated to segments, being the lowest level within TMG at which goodwill is monitored by the internal organisation, or a lower level within a segment at which goodwill is monitored.
The total carrying amount of intangible assets attributed to the groups of cash-generating units at 31 December 2016 and 2015 was as follows:

Intangible assets

In thousands of euros	**2016**	2015
TMG Landelijke Media	**18,575**	20,987
Holland Media Combinatie	**12,552**	13,166
TMG Digital	**10,856**	11,423
Facilitating services	**12,000**	12,000
Sky Radio Group	**-**	54,631
Keesing Media Group	**118,594**	121,509
Head Office	**9,392**	3,716
Total	**181,969**	237,432

Goodwill

In thousands of euros	**2016**	2015
TMG Landelijke Media	**18,169**	17,259
Holland Media Combinatie	**12,452**	12,452
TMG Digital	**10,262**	10,262
Facilitating services	**12,000**	12,000
Sky Radio Group	**-**	12,421
Keesing Media Group	**91,160**	91,201
Head Office	**17**	1,261
Total	**144,060**	156,856

The recoverable amount of the cash-generating units is based on the value in use calculation. The cash-generating units are based on operating segments within TMG. Cash flow projections used in the calculation are based on actual operating results and cash flow forecasts, the 2017 budget and the long-term plans up to and including 2019. This is consistent with previous years. The cash flows are based on EBITDA, expected capital expenditure and movements in net working capital. Cash flows after 2019, which are extrapolated on the basis of 0% growth (2015: 0%), are based on economic life. Since Facilitating Services and the Head Office support the other segments, their assets and future cash flows are allocated to the other segments.

The forecast cash flows are discounted using a pre-tax discount rate (WACC) of 9.5% (2015: 8.6%). The discount rate and growth factors are determined on the basis of the interest rate and risk profile for TMG as a whole. These assumptions have been applied to all cash-generating units at TMG. The values assigned to the key assumptions represent management's assessment of future trends in the media industry and are based on both internal and external sources (historical data). A modification in assumptions and estimates could have consequences for the recoverable amount and expected economic life of an asset and affect the statement of profit or loss.

A 1% increase in WACC has no effect on impairment of any segment. The recoverable amount of a segment is equal to the carrying amount at the following WACC: TMG Landelijke Media 31% (2015: 63%), Holland Media Combinatie >100% (2015: 54%), TMG Digital 56% (2015: n/a) and Keesing Media Group 18% (2015: 12%). Furthermore, the recoverable amount is equal to the carrying amount at the following negative growth rates for cash flows after 2018: TMG Landelijke Media -32% (2015: > -100%) and Keesing Media Group -11% (2015: -5.2%). The recoverable amount for the TMG Digital and Holland Media Combinatie segments is equal to the carrying amount at negative growth rates exceeding 100%.

15. Property, plant and equipment

In thousands of euros	Notes	Land and buildings	Machines and installations	Other tangible fixed assets	Assets under constructi on	Total
Cost		169,025	190,743	45,319	2,909	407,996
Accumulated depreciation		138,937	162,347	38,520	-	339,804
Impairment		2,174	5,035	2,880	-	10,089
Carrying amount at 1 January 2015		27,914	23,361	3,919	2,909	58,103
Additions		457	73	1,321	5,789	7,640
Disposals		-88	-241	-11	-	-340
Reclassifications		-321	-	321	-	-
Held for sale		-62	-	-	-	-62
Depreciation	8,13	-3,543	-4,341	-1,614	-	-9,498
Impairment losses		-566	-6,244	-	-	-6,810
Reversal of impairment losses		693	-	-	-	693
Assets under construction taken into use		1,094	6,700	42	-7,836	-
Total movements		-2,336	-4,053	59	-2,047	-8,377
Cost		165,408	196,927	38,698	862	401,895
Accumulated depreciation		137,783	166,340	31,840	-	335,963
Impairment		2,047	11,279	2,880	-	16,206
Carrying amount at 1 January 2016		25,578	19,308	3,978	862	49,726
Additions		**148**	**23**	**1,478**	**2,798**	**4,447**
Acquired in business combinations	3	**-**	**-**	**2**	**-**	**2**
Disposals		**-**	**-5**	**-47**	**-**	**-52**
Reclassifications		**432**	**-432**	**-**	**-**	**-**
Held for sale	21	**-15,836**	**-474**	**-1,157**	**-**	**-17,467**
Depreciation	8	**-3,128**	**-2,994**	**-1,694**	**-**	**-7,816**
Impairment losses		**-2,073**	**-**	**-**	**-**	**-2,073**
Assets under construction taken into use		**670**	**1,987**	**383**	**-3,040**	**-**
Total movements		**-19,787**	**-1,895**	**-1,035**	**-242**	**-22,959**
Cost		**72,541**	**132,339**	**18,256**	**620**	**223,756**
Accumulated depreciation		**62,630**	**103,647**	**12,433**	**-**	**178,710**
Impairment		**4,120**	**11,279**	**2,880**	**-**	**18,279**
Carrying amount at 31 December 2016		**5,791**	**17,413**	**2,943**	**620**	**26,767**

Property, plant and equipment consists of land and buildings, machinery and equipment of the printing facility and other equipment. The carrying amount is the fair value.

Reclassification as held for sale and impairment losses

At the end of 2016 it was decided to hold the office buildings and car park in Amsterdam for sale along with certain regional properties of Holland Media Combinatie (in total 15,510). At that time, there was an appraisal of the expected proceeds less costs to sell. This led to impairment of certain properties (2,073).

The carrying amount of Sky Radio Group's property, plant and equipment was 1,957 at the time of the decision to sell in January 2016. Since then these assets have not been depreciated.

Impairment losses in 2015 related mainly to the production capacity of printing facilities. The impairment was a result of the decision to reduce the number of printing presses in the printing plant in Amsterdam from seven to four. The presses were impaired to net realisable value less costs to sell. The net realisable value was based on an appraisal by an independent expert based in particular on the values of similar assets.

The reversal of impairment losses in 2015 related to a building that was out of use and brought back into operation in 2015.

Assets under construction

Assets under construction mainly concern the renovation of the main hall of the office building in Amsterdam. This project will be completed in 2017.

16. Investments in associates

In percentages	Registered office	**2016**	2015
Holding at 31 December			
Radio Newco B.V.	Hilversum	**22.0%**	0.0%
Eye to Eye Puzzles Ltd	London	**39.3%**	0.0%
Latlong B.V.	Amsterdam	**20.4%**	0.0%
Autowereld B.V	Amsterdam	**35.0%**	35.0%
Dutch Creative Industry Fund B.V.	Amsterdam	**28.6%**	28.6%

In thousands of euros	Notes	**2016**	2015
Carrying amount at 1 January		**24**	**159**
Additions		**46,615**	121
Earn-out		**1,946**	-
Disposals		**-**	- 114
Share of result	10	**721**	-
Dividend received		**- 1,163**	- 142
Carrying amount at 31 December		**48,143**	24

In thousands of euros	**2016**	2015
Carrying amount at 31 December		
Radio Newco B.V.	**45,051**	-
Radio Newco B.V. earn-out	**1,946**	-
Eye to Eye Puzzles Ltd	**772**	-
Latlong B.V.	**350**	-
Autowereld B.V.	**24**	24
Total	**48,143**	24

The main addition in 2016 was the acquisition of a 22.85% holding in Radio Newco B.V. at 30 September 2016 in exchange for a contribution in the form of the shares in Sky Radio Group. The initial valuation of 45,509 was the fair value of the holding in Radio Newco B.V. (including purchase costs to the amount of 1,066) determined using a present value calculation of its future cash flows, applying a WACC of 10.2%. The valuation was supported by valuation specialists. Following the acquisition, there was a dilution of 0.85% in TMG's holding as a result of Radio Newco B.V. partly funding an acquisition with shares. The share of the result of this associate was 642 for the period from 30 September to the end of the financial year. After receipt of a dividend of 1,100, a carrying amount of 45,051 remained at year-end 2016.

Specific arrangements on an earn-out for TMG were agreed when the shares in Sky Radio Group were contributed to Radio Newco B.V. These resulted in an additional holding of 1% for TMG, representing a value of 1,946. Consequently, TMG's holding in Radio Newco B.V. was increased to 23% at the start of 2017.

In 2016, Keesing Media Group acquired a 39.3% holding in Eye to Eye Puzzles Ltd, a company that publishes puzzle booklets in the United Kingdom. The investment was 756; the share of the result for 2016 was 16.

Loss-making associates are measured at nil. All results of associates are recognised in the consolidated statement of profit or loss.

17. Other receivables

In thousands of euros	**2016**	2015
Prepaid operating leases	**528**	868
Non-current receivables	**191**	209
Total	**719**	1,077

Prepaid operating leases related to prepaid ground rent on the buildings in Amsterdam. This item decreased in 2016 mainly due to reclassification as held for sale.

18. Inventories

In thousands of euros	**2016**	2015
Raw materials	**521**	1,173
Consumables	**210**	263
Other	**444**	423
Total	**1,175**	1,859

The further decline in the stock of raw materials was due to the stricter stock control involving smaller quantities being ordered more frequently.

19. Trade and other receivables

In thousands of euros	**2016**	2015
Trade receivables	**42,093**	49,639
Other receivables	**980**	7,531
Prepayments and accrued income	**15,183**	16,641
Total	**58,256**	73,811

The reduction in trade receivables was directly related to the fall in revenue in the year. Trade receivables are shown net of impairment losses. During the current year, these losses amounted to 588 (2015: 1,071) and related to doubtful receivables. For more information see the note Financial risk management.

Other receivables at 31 December 2015 included a receivable of 4,450 relating to the sale of a building.

Fair value

The nominal value is considered to reflect the fair value of current receivables which fall due within one year.

20. Cash and cash equivalents

In thousands of euros	**2016**	2015
Bank	**19,485**	42,928
Total	**19,485**	42,928

With the exception of issued bank guarantees as disclosed in note 34, bank balances are freely available. The fair value is regarded as being equal to the nominal value.

21. Assets and liabilities held for sale

In thousands of euros		**2016**	2015
Assets at the beginning of the year		**62**	8,806
Assets of the Sky Radio Group segment		**63,320**	-
Buildings of Facilitating Services and Holland Media Combination		**15,510**	62
Long-leases of buildings of Facilitating Services and Holland Media Combination		**276**	-
Sale of buildings not in use		**-**	-4,227
Reversal of Relatieplanet to assets in use		**-**	-4,579
Sale of Sky Radio Group segment	13	**-63,320**	-
Assets at the end of the year		**15,848**	62
Liabilities at 1 January		**-**	916
Liabilities of the Sky Radio Group segment		**20,904**	-
Reversal of Relatieplanet to continuing operations		**-**	-916
Sale of Sky Radio Group segment	13	**-20,904**	-
Liability at 31 December		**-**	-

Assets held for sale were 15,848 (2015: 62) in 2016 and related to printing presses, several regional business premises of Holland Media Combinatie (mainly Alkmaar) and the office building in Amsterdam. At year-end 2016, a sales plan was drawn up for the premises and an agent was engaged. The intention is to lease the office building in Amsterdam back after the sale.

Certain buildings of Facilitating Services were sold at the end of 2015.

Relatieplanet.nl had been classified as held for sale from 2013 but was reclassified to continuing operations in 2015 following the decision not to sell it but to include its operations in TMG Digital.

22. Equity

Issued capital

At 31 December 2016, 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:

		2016/2015
Number of shares	**Authorised share capital**	**Issued and paid-up**
In 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 each. No preference shares have been issued.

The holders of priority shares receive a dividend of 5% 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 may attend and vote at meetings of shareholders. A summary of the statutory and articles of association provisions relating to the appropriation of profit and other rights under the articles of association attaching to the ordinary shares, priority shares and preference shares is included under Other information.

Stichting Beheer van Prioriteitsaandelen Telegraaf Media Groep N.V. has granted the right to issue TMG preference shares to Stichting Preferente Aandelen Telegraaf Media Groep N.V. Stichting Preferente Aandelen Telegraaf Media Groep N.V. manages the call option granted on the preference shares. At present, no preference shares have been issued. The provisions in the articles of association governing the income on the preference shares are in line with the market. The option to issue preference shares is valued at nil.

Treasury shares

TMG owned no repurchased ordinary shares at year-end 2016 and 2015.

23. Dividend

During the year, TMG paid a dividend of €0.16 per share or depositary receipt from other reserves (2015: nil). A total of 7,416 was distributed.

The profit of 1,558 for the financial year 2016 is at the disposal of the General Meeting of Shareholders. It is not proposed that a dividend should be distributed given the reduction in the cash position in 2016 and in order to have cash and cash equivalents available to invest in new initiatives, such as Online Video, and to finance the restructuring.

24. Earnings per share

Basic earnings per share
The calculation of the basic earnings per share at 31 December 2016 is based on the result attributable to ordinary shareholders of 1,558 (2015: -22,760) and the weighted average of 46,350,000 ordinary shares outstanding during 2016 (2015: 46,350,000), as shown below:

In thousands of euros	**2016**	2015
Earnings per share		
Result attributable to holders of ordinary shares in Telegraaf Media Groep N.V.	**1,558**	-22,760
Weighted average number of ordinary shares	**46,350,000**	46,350,000
Basic earnings per share (EUR)	**0.03**	-0.49

Diluted earnings per share
There was no dilution of shares in 2016 and 2015.

25. Non-controlling interests

The movements in non-controlling interests were as follows:

In percentages	**2016**	2015
Sienna Holding B.V.	**0%**	10%

In thousands of euros	**2016**	2015
Balance as at 1 January	**-7,974**	-8,018
Share of profit for the year	**-**	-879
Acquisition of non-controlling interests	**7,974**	923
Balance as at 31 December	**-**	-7,974

In early 2016, TMG purchased V-Ventures B.V.'s 10% holding in Sienna Holding B.V. The transaction related to the purchase of ordinary and cumulative preference shares in Sienna Holding B.V. Under IFRS, the cumulative preference shares are classified as long-term debt. The purchase price was 5,700.

26. Interest-bearing loans and borrowings

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

			2016
In thousands of euros	**Total**	**Current**	**Non-current**
Interest-bearing loans	**5,000**	**5,000**	**-**
Other financing	**1,200**	**1,200**	**-**
Total	**6,200**	**6,200**	**-**

			2015
In thousands of euros	Total	Current	Non-current
Interest bearing loans	11,969	11,969	-
Other financing	14,049	13,577	472
Total	26,018	25,546	472

In thousands of euros	Currency	Nominal interest rate	Nominal value	Redemption date	**Carrying amount 2016**	Carrying amount 2015
Interest-bearing loans						
Shareholders loan V-Ventures B.V. to Sienna Holding B.V.	EUR	4,1% (2015: 4,1%)	-	-	**-**	11,969
Bank financing – revolving credit facility	EUR	3-mnths Euribor + 1,50%	5,000	-	**5,000**	-
Total					**5,000**	11,969
Other financing						
Sky Radio Group licence liabilities	EUR	(2015: 2,0%)	-	2016-2017	**-**	11,233
Acquisition payables	EUR		-	-	**1,200**	2,672
Other current liabilities	EUR		-	-	**-**	144
Total					**1,200**	14,049

Terms and debt repayment schedule

The effective interest rate for all loans is equal to the nominal interest rate.

Interest-bearing loans

On 21 January 2016, TMG acquired the shareholder loan to Sienna Holding B.V from V-Ventures B.V. along with its 10% non-controlling interest in Sienna Holding B.V. (see also note 25). As a result, TMG became sole shareholder of Sky Radio Group. On 30 September 2016, the shares in Sienna Holding B.V. were sold to Radio Newco B.V. in exchange for a 22.85% holding in this new radio company.

A three-year financing facility was agreed with a consortium of two banks on 10 July 2015. The facility consists of a revolving credit facility and a current account overdraft facility (ancillary credit facility). The financing is on market terms and is limited to 2.5 times NEBITDA (operating result excluding depreciation, amortisation and impairment losses and excluding exceptional items such as restructuring costs and results on sales of assets). In addition, interest expense may not exceed 1/5th of NEBITDA in the relevant period. Both conditions were met in 2016. No collateral has been provided for this loan.

At year-end 2016, 5,000 of this facility had been used.

Other financing

The Sky Radio Group license liabilities related to the annual prepayment to the Radiocommunications Agency to 1 September 2017. The final payment for the Sky Radio licence was paid in 2016. See note 30 Trade and other payables for information on the Radio Veronica licence.
The acquisition payables included liabilities for the acquisition of Metro and Fashion Week.

27. Post-employment benefits

Defined-contribution plans

The pension plans for most of the employees of TMG companies are administered by Stichting-Telegraafpensioenfonds 1959. The pension plans are conditionally indexed average salary plans. The only obligation of the employer is the payment of contributions. A new plan came into force in January 2017 under a new five-year administration agreement with Stichting-Telegraafpensioenfonds 1959.

Gross commitment for defined-benefit pension plans

TMG has a number of defined-benefit plans under which certain current and former employees in the Netherlands and France are entitled to additional benefit. These are:

Defined-benefit pension plans

Additions to pensions (guarantee arrangements)

Until January 2016, a specific group of workers was guaranteed a pension of a minimum percentage of their final pay. This final pay plan ended on 31 December 2015. The final-pay entitlements, funded entirely by the employer, were allocated to the participants at that date. TMG paid 350 to the pension fund in 2016 to fund the plan.

Keesing Media Group has a guaranteed indexation scheme for certain staff. The indexation scheme is for an annual increase in accrued entitlements of 50% of price inflation and is funded by the employer. The scheme is administered by an insurance company. Furthermore, there are schemes for Keesing Media Group employees in France that provide for a payment when the retirement age is reached. The amount depends on the number of years of service.

Contribution to the healthcare costs of pensioners

In 2016, a limited group of pensioners were receiving a contribution to their health insurance premiums. This group was notified on 1 July 2015 that the arrangement, which closed to new participants on 1 January 2006, would shortly end. In 2016, the compensation was 50% of that of 2015. The plan was terminated on 31 December 2016

Other employee benefit schemes

This relates to supplementary disability and long-service schemes. The restructuring of TMG business units announced at the end of 2016 was taken into account when determining the provision for long-service benefits and a gain of 226 (past-service costs) was recognised in employee benefits. Restructurings announced in 2015 led to a release of 503.
TMG's pension plan for its graphical employees (mostly working in the printing facilities) is administered by the industry-wide Pensioenfonds Grafische Bedrijven (PGB) pension fund. This is a collective average pay plan for staff of several employers which is accounted for as a defined-contribution plan. Under the regulations, the employers are not required to make up any shortfall nor are they entitled to any buffers. The plan is therefore treated as a defined-contribution plan in the financial statements. The PGB had a coverage ratio of 100.7% at the end of 2016, which is below the legal minimum (about 121%). PGB has a recovery plan which has applied since 1 January 2015 and is updated annually, most recently on 1 January 2016. It includes various measures to improve the fund's financial position, one of which is not to index pension benefits in full. The possibility that pension benefits and/or accrued entitlements will be reduced in future cannot be precluded. This final measure can only be used as a last resort.

Risks

The provisions are determined actuarially. An increase in discount rates will lead to an increase in liabilities, which, in case of defined-benefit plans, is partly offset by an increase in the return on investments. An increase in life expectancy and salary increases will lead to an increase in liabilities. The benefits under the indexation arrangements and termination of employment benefits at Keesing Group are insured externally. Given the extent and size of the obligations, the exposure for TMG is assessed as very small.

Principal actuarial valuation assumptions at reporting date

In weighted averages		
	2016	2015
Discount rate/return on plan assets	**0,65% - 1,85%**	1,25% - 2,20%
Duration	**5,1 - 21,1**	0,5 - 21,1
Expected return on plan assets at 31 December	**2.00%**	2.00%
Indexation for active members	**1.00%**	1.00%
Inflation adjustment	**1.80%**	1.80%
Indexation for non-active members/pensioners	**0,9% - 1%**	0,9% - 1%
Mortality table	**AG 2016**	AG 2014

The expected return on plan assets is the weighted average expected return. The expected return, depending on the term of the plan, is between 0.65% and 1.85% (2015: 1.25% and 2.20%) on investments at external insurance companies.

Net provision for defined-benefit obligations

In thousands of euros		
	2016	2015
Net provision as at January 1	**5,183**	8,703
Net expense recognised in profit and loss statement	**341**	-2,244
Net expense recognised in other comprehensive income	**328**	881
Contributions paid	**-1,130**	-2,157
Provision for the defined-benefit plans	**4,722**	5,183
Of which:		
Defined-benefit plans	**1,885**	2,030
Other employment benefits	**2,837**	3,153
Provision at 31 December 31	**4,722**	5,183

Liability for defined-benefit obligations

In thousands of euros		
	2016	2015
Present value of unfunded obligations	**2,837**	3,153
Present value of funded obligations	**9,966**	9,540
Present value of obligations	**12,803**	12,693
Fair value of plan assets	**-8,081**	-7,510
Recognised liability for defined-benefit obligations	**4,722**	5,183

Present value of the liability for defined-benefit obligations

In thousands of euros	2016	2015
As at 1 January	**12,693**	16,382
Service costs	**226**	282
Past-service costs	**-226**	-2,528
Result on long-service schemes	**245**	65
Termination settlement	**-**	-236
Interest expense	**243**	283
Actuarial losses (gains)	**573**	-536
Payments	**-951**	-1,019
As at 31 December	**12,803**	12,693

Movements in fair value of plan assets

In thousands of euros	2016	2015
As at 1 January	**7,510**	12,640
Contributions	**1,130**	2,157
Interest on plan assets	**161**	283
Actuarial results	**245**	-6,488
Addional costs	**-14**	-64
Payments	**-951**	-1,018
As at 31 December	**8,081**	7,510

Plan assets

In thousands of euros	2016	2015
Plan assets with insurance companies	**8,081**	7,510
As at 31 December	**8,081**	7,510

Recognised in the statement of profit or loss

In thousands of euros			
		2016	2015
Service costs		**226**	282
Past-service cost		**-226**	-2,528
Result on long-service obligations		**245**	65
Termination settlement		**-**	-236
Additional costs		**14**	64
Total contribution to defined benefit schemes		**259**	-2,353
Other employee benefit schemes		**216**	-222
Defined-benefit pension plan	7	**43**	-2,131
Result on defined-benefit plans		**259**	-2,353
Contribution to defined-contribution plans	7	**11,136**	12,221
Costs related to employee benefit schemes[1]		**11,395**	9,868
Interest		**82**	109
Total		**11,477**	9,977

1 11,179 (2015: 10,090) recognised in pension costs and 216 (2015: -222) in other employee benefits.

TMG estimates that the total contributions to be paid under the personnel benefit plans during 2017 will be 9,631 (2016: 11,582), as far as can be reasonably measured.

There are no specific exposures related to the pension fund. The exposures arising from the defined-benefit employee benefit plans relate to market developments in interest rates, inflation, life expectancy and investments.

Actuarial results recognised in other comprehensive income

In thousands of euros		
	2016	2015
Effect of changes in economical assumptions on the liabilities	**901**	-109
Effect of changes in life expectancy	**38**	-
Effect of experience adjustments on the liabilities	**-66**	-428
Rate of return on plan assets (excluding interest income)	**-545**	6,488
Changes in the effects on assets ceiling (exluding interest expense)	**-**	-5,070
Total	**328**	881

Sensitivity analyses

The sensitivity analyses below are based on various assumptions. An interval of 0.25% is used. The interdependence of the assumptions is ignored.

In thousands of euros	min 0.25%	assumed	plus 0.25%
Discount rate	0,40% - 1,60%	**0,65% - 1,85%**	0,90% - 2,10%
Pension liability at year-end	13,387	**12,803**	12,261
Service costs	242	**235**	228
Salary inflation	1.75%	**2.00%**	2.25%
Pension liability at year-end	12,740	**12,803**	12,870
Service costs	228	**235**	242
Price inflation	1.55%	**1.80%**	2.05%
Pension liability at year-end	12,803	**12,803**	12,803
Service costs	235	**235**	235
Indexation of active members	0.75%	**1.00%**	1.25%
Pension liability at year-end	12,803	**12,803**	12,803
Service costs	235	**235**	235
Indexation pensioners	0.75%	**1.00%**	1.25%
Pension liability at year-end	12,292	**12,803**	13,352
Service costs	235	**235**	235

28. Provisions

In thousands of euros	2016	2015
Restructuring	**13,607**	30,479
Onerous contracts	**84**	766
Legal disputes	**2,422**	5,180
	16,113	36,425
Non-current	**-**	216
Current	**16,113**	36,209
Carrying amount at 31 December	**16,113**	36,425

Restructuring provision

In thousands of euros	Notes	**2016**	2015
Balance at 1 January		**30,479**	24,025
Provisions formed during the financial year	7	**14,224**	30,664
Release	7	**-1,198**	-3,695
Recognised in the statement of profit or loss		**13,026**	26,969
Held for sale[1]	13	**179**	203
Provisions used		**-30,077**	-20,718
Balance at 31 December		**13,607**	30,479

1 Provision made by Sky Radio

Most of the 2015 restructuring provision was used in 2016. During 2016, a restructuring provision was formed for the cessation of operations at Dichtbij.nl and a restructuring announced in the newspaper marketing and sales departments, Facilitating Services and the regional editorial staff. The restructuring includes a reduction of approximately 200 employees (FTE).

Restructuring plans are communicated to TMG employees in several ways, creating a valid expectation amongst those affected that the restructuring will take place. At some units, restructuring is set in motion after agreement of the Works Council. The restructuring provision covers commitments related to job placement services and redundancies. A change in assumptions and estimates, including filling positions, redundancy options (buyout or job placement services), the social plan, timing and the period during which unemployment benefit or a lower salary at another employer will be supplemented, may affect the actual cost of the restructuring. The current part amounted to 13,607 (2015: 30,479), of which 2,655 related to agreements signed at 31 December 2016. The amount may depend on future estimates, such as the period during which unemployment benefit or a lower salary will be supplemented.

Onerous contracts

In thousands of euros	**2016**	2015
Balance at 1 January	**766**	1,453
Provisions formed during the financial year	**-**	652
Release	**-100**	-85
Recognised in the statement of profit or loss	**-100**	567
Provisions used	**-582**	-1,254
Balance at 31 December	**84**	766

The provision for onerous contracts related to ICT and distribution contracts. These contracts expire in 2017.

Legal disputes

In thousands of euros	**2016**	2015
Balance at 1 January	**5,180**	3,075
Provisions formed during the financial year	**47**	3,115
Release	**-2,750**	-688
Recognised in the statement of profit or loss	**-2,703**	2,427
Provisions used	**-55**	-322
Balance at 31 December	**2,422**	5,180

The provision for legal disputes concerns claims made by third parties against TMG. The disputes have arisen from TMG's regular business operations. No further details are given because of the potential adverse effects for the Company.

29. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities were as follows at the end of the financial year:

			2016
In thousands of euros	**Assets**	**Liabilities**	**Balance**
Intangible assets	**-**	**-10,183**	**-10,183**
Property, plant and equipment	**3,376**	**-**	**3,376**
Post-employment liabilities	**736**	**-**	**736**
Provisions	**102**	**-**	**102**
Carry-forward losses	**40,422**	**-**	**40,422**
Other items	**-**	**-7**	**-7**
Net tax asset/liability (-)	**44,636**	**-10,190**	**34,446**

			2015
In thousands of euros	Assets	Liabilities	Balance
Intangible assets	-	-18,023	-18,023
Property, plant and equipment	2,655	-	2,655
Post-employment liabilities	363	-	363
Provisions	7,539	-	7,539
Carry-forward losses	27,840	-	27,840
Net tax asset/liability (-)	38,397	-18,023	20,374

Carry-forward losses

The carry-forward losses expire in the years 2022 to 2025. The increase in the net amount was due in part to losses in the Dutch fiscal unity in 2016 and the formation of restructuring provisions, and in part to ending the temporary differences on the restructuring provision. Until 2016, restructuring costs were recognised as an expense for tax purposes when they were paid; in 2016, the tax treatment was drawn into line with the commercial treatment of the restructuring provisions and this explains the fall in the deferred tax asset on provisions.

TMG expects to generate sufficient taxable income in coming years to utilise the deferred tax asset and to utilise part of the carry-forward losses through the possible sale and leaseback of land and buildings in Amsterdam and the contribution to results from various commercial initiatives (such as the Telegraaf VNDG online video platform), cost reduction measures and the sale of regional properties. The utilisation of carry-forward losses has been assessed in a stand-alone scenario for continuation of the current strategy. This ignores any acquisition of TMG and the possible effect on current business plans and related utilisation of carry-forward losses.

Unrecognised deferred tax assets

No deferred tax assets have been recognised for start-up and other losses of certain subsidiaries as these are not expected to be utilised in the near future. The utilisation of the deferred tax assets depends on future taxable profits. At year-end 2016, unrecognised deferred tax assets amounted to 4,856 (2015: 4,935).

Movements in temporary differences during the year

In thousands of euros	**Balance 1 January 2016**	**Recognised in statement of profit or loss**		**Changes in consolidation**	**Other**	**Balance 31 December 2016**
		Temporary differences	**Prior-year adjustments**			
Intangible assets	**-18,023**	**-1,347**	**-211**	**8,788**	**610**	**-10,183**
Property, plant and equipment	**2,655**	**752**	**-187**	**90**	**66**	**3,376**
Post-employment benefits	**363**	**373**	**-**	**-**	**-**	**736**
Provisions	**7,539**	**-7,174**	**-212**	**-**	**-51**	**102**
Carry-forward losses	**27,840**	**11,282**	**1,300**	**-**	**-**	**40,422**
Other items	**-**	**-**	**-7**	**-**	**-**	**-7**
Net tax asset/liability (-)	**20,374**	**3,886**	**683**[1]	**8,878**	**625**	**34,446**

1 See also note 11.

In thousands of euros	Balance 1 January 2015	Recognised in statement of profit or loss		Changes in consolidation	Other	Balance 31 December 2016
		Temporary differences	Prior-year adjustments			
Intangible assets	-19,538	1,515	-	-	-	-18,023
Property, plant and equipment	3,046	-484	93	-	-	2,655
Post-employment benefits	962	-599	-	-	-	363
Provisions	5,763	1,697	79	-	-	7,539
Carry-forward losses	29,337	3,991	-5,488	-	-	27,840
Net tax asset/liability (-)	19,570	6,120	-5,316	-	-	20,374

30. Trade and other payables

In thousands of euros	**2016**	2015
	35,884	40,186
Other amounts received in advance	**8,977**	5,428
Trade payables	**23,595**	23,380
Employee benefits (holidays/allowances)	**13,992**	20,834
Other taxes and social security contributions	**11,221**	14,030
Other liabilities and deferred income	**37,924**	28,085
Total	**131,593**	131,943

Other liabilities and deferred income includes editorial, distribution and other general expenses, returns and accrued commissions. The balance at 31 December 2016 also included 14,720 (including statutory interest) for the fee payable to the government for the licence for the A2 register frequency lot ('Radio Veronica'). It was agreed on the sale of Sky Radio Group that all income and expense relating to the new valuation of the licence would be for TMG. In December 2016, TMG received the licence instalments and interest back from the government. The new value established for the licence was announced on 22 December 2016 and a bill for statutory interest on that amount was received in January 2017. The full amount had to be paid in early 2017. TMG has appealed against the new value set by the Minister and will also instigate legal proceedings against the interest decision.

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

31. Financial risk management

TMG recognises the market, credit, currency and interest rate risks involved in regular business operations. The current economic situation has increased the pressure on circulation and advertising revenue, which several of TMG's products depend on. TMG has developed different scenarios to absorb fluctuations in revenue. These include further cost reduction measures, announced in 2016, designed to lower the cost base by 90,000 in 2018 compared with 2015, excluding the effects of increase in costs resulting from new initiatives. Some of the savings will come from the decision made in 2015 to sharply reduce the printing capacity of the printing facilities by cutting the number of presses from ten to four to allow a better response to falling circulation. The price of paper can also have a substantial effect on the commercial result.

The Executive Board has overall responsibility for establishing and overseeing 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 monitors the strategic risks each quarter.

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

Market risk

Market risk is the risk that the availability of financing for businesses like TMG is limited by developments that are beyond the direct control of the Company itself. In an environment where businesses are heavily dependent on the availability of bank financing, it is important to maintain adequate access to alternative sources of finance.

Considering its relatively limited funding requirements, TMG's syndicated 70,000 financing facility (see the note on interest-bearing loans and borrowings) with a maturity of three years (to mid-2018) is currently sufficient. It will only become important for TMG to consider alternative financing if a substantial increase in its funding requirements occurs.

Credit risk

Credit risk arises from TMG's receivables if major customers fail to meet their payment obligations. Industry-wide payment terms, relatively limited dependence on individual customers and our customers' payment history make it unnecessary to use financial instruments to limit this risk. Most circulation revenue is received in advance. The credit risk is principally concentrated in the Netherlands.

Impairment losses

Customers are required to pay within an agreed period. Exceeding the deadline results in service deliveries being halted. Customers are primarily media outlets, companies and subscribers. The aging of trade receivables at the reporting 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 at 31 December 2016	**44,868**	**33,174**	**4,380**	**2,396**	**2,701**	**769**	**1,448**
Balance at 31 December 2015	53,263	39,601	8,220	1,702	1,094	1,057	1,589

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

In thousands of euros	**2016**	2015
Balance at 1 January	**3,624**	4,819
Additions	**588**	1,071
Use	**-1,437**	-2,266
Balance at 31 December	**2,775**	3,624

Liquidity risk

Liquidity risk is the risk that TMG is unable to meet its financial obligations as they fall due. The premise of managing liquidity risk is that sufficient cash and cash equivalents and/or credit facilities are available at all times to meet current and future financial obligations. At the reporting date, TMG had a credit facility of 70,000 of which 5,000 had been drawn (see note 26). In addition, a sale and leaseback project for the office building in Amsterdam was started in 2016 (see note 21).

Currency risk

Currency risk is the risk that fluctuations in exchange rates affect the profitability of transactions. TMG faces very limited currency risks and these are limited to activities outside the euro zone, namely in Denmark, the United Kingdom, Sweden and Poland. The net cash flows to and from the entities and their timing is such that no significant currency positions exist. TMG's sensitivity to exchange rates is, therefore, very limited. At year-end 2016, TMG had no forward contracts.

Interest-rate risk

TMG's most relevant interest-rate risk is that its cost of capital might be adversely affected by changes in interest rates on the financial markets. Given the limited size of its debt position, TMG has almost no sensitivity to interest rate fluctuations and so they do not have any significant influence on its financial position.

Other market price risk

Of the commodities traded on the global market, TMG only purchases paper to such an extent that fluctuations in its price can have a substantial impact on the operating result. TMG has decided not to hedge the risk of fluctuating paper prices as large manufacturers of paper have taken up positions on the futures market that make it insufficiently liquid to hedge significant volumes in a manner that would be attractive to TMG.

Fair value of financial liabilities

The fair value of financial liabilities is classified by the different levels of the fair value hierarchy:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are directly or indirectly observable for the asset or liability;
- Level 3 inputs are unobservable inputs (unobservable market activity) for the asset or liability.

The carrying amount of financial instruments largely corresponds to their fair value. The interest-bearing loans and borrowings, trade and other payables are classified and measured under level 3 (entity-specific measurement). There were no transfers between the levels in 2016 or 2015.

Maturity profile of financial liabilities

In thousands of euros	Total	6 months or less	7-12 months	1-2 years	2-5 years	More than 5 years
2016						
Interest-bearing loans and borrowings	**6,200**	**5,600**	**600**	**-**	**-**	**-**
Trade and other payables	**131,593**	**127,632**	**3,961**	**-**	**-**	**-**
Total	**137,793**	**133,232**	**4,561**	**-**	**-**	**-**
2015						
Interest-bearing loans and borrowings[1]	26,368	14,254	11,642	472	-	-
Trade and other payables	131,943	123,906	8,037	-	-	-
Total	158,311	138,160	19,679	472	-	-

1 Including interest

5,000 of the interest-bearing loans and other borrowings relate to the banking facility explained in note 26. The contractual interest liabilities are minimal since only drawings on the overdraft facility bear interest and this is very short term.

In 2015, interest-bearing loans and borrowings included a shareholder loan of 11,969 from V-Ventures B.V. to Sienna Holding B.V. TMG acquired this loan from V-Ventures B.V. on 21 January 2016 along with the 10% minority interest in Sienna Holding B.V.

Capital management

The Executive Board's policy is to safeguard 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 on capital, which TMG defines as the net operating income divided by total 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 for specific transactions by the Executive Board within limits set by the Supervisory Board and the General Meeting of Shareholders. TMG does not have a defined share-buy-back plan. There is no share-buy-back plan currently in force.

32. Off-balance sheet assets and liabilities

Liabilities under long-term leases expire as follows:

Operating leases

In thousands of euros	**2016**	2015
< 1 year	**15,735**	19,411
1-5 years	**12,872**	15,397
> 5 years	**141**	665
Total	**28,748**	35,473

Operating leases consist of long-term obligations related to building rental, lease cars and ICT and other services. An expense of 8,649 was recognised in the statement of profit or loss for operating leases in 2016, (2015: 9,893). The fall in 2016 was due to the deconsolidation of the Sky Radio Group on 30 September 2016 (balance on 31 December 2015: 6,833) and a reduction (1,600) in the public transport distribution contract between Dutch Railways (NS) and Landelijke Media that expires on 1 May 2018.

Other off-balance sheet liabilities

TMG has agreements with suppliers of raw materials and consumables under which the liabilities within one year amount to 4,285 (2015: 3,200).

TMG has a long-term contract for printing puzzle booklets and newspapers with a third party. The maximum purchase obligation between one and three years is 17,000 (2015: 17,000).

Legal disputes

A number of TMG group companies face legal proceedings. These cases primarily concern employment relations, disputes and rectifications of publications. TMG is confident about the outcome and has therefore not formed a provision for these disputes. See note 28 for disputes for which a provision is recognised.

33. Investment commitments

In 2015 and 2016, TMG did not enter into any significant agreements for software development or other capital expenditure, other than those stated in note 32.

34. Contingent liabilities

At year-end 2016 bank guarantees of 859 (2015: 9,137) had been issued to cover rental agreements. Bank guarantees issued at 31 December 2015 also covered FM licence obligations.

35. Related parties

Identity of related parties

TMG has a related-party relationship with its subsidiaries, associates (see note 16), joint arrangements, Stichting-Telegraafpensioenfonds 1959 and Stichting Preferente Aandelen Telegraaf Media Groep N.V. A list of Telegraaf Media Groep N.V.'s participating interests has been filed at the Chamber of Commerce in Amsterdam.

According to the AFM register, the following shareholders or holders of depositary receipts had an interest of more than 20% in TMG's capital at 31 December 2016:

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

Transactions with the Executive Board and Supervisory Board

See the company financial statements (note 10) for details of the directors' remuneration. The note on related parties refers to TMG's senior management, namely the Executive and Supervisory Boards. The total remuneration is included in employee benefits (see note 7 to the consolidated financial statements).

Transactions with shareholders and depositary receipt holders

In April 2015, TMG signed a Letter of Intent with Dasym Investment Strategies B.V. to enter into a strategic partnership in which the two parties jointly establish a fund to invest in the development of Over-The-Top content. There were no developments in respect of the fund during 2016 and the fund had still not been set up at 31 December 2016.

Other related-party transactions

Transactions with related parties relating to associates.

		2016		2015
In thousands of euros	**Transaction-value**	**Balance due**	Transaction-value	Balance due
Sales of goods and services				
Eye to Eye Puzzles Ltd.	**164**	**95**	-	-
Recharged expenses				
Radio Newco B.V.	**261**	**-2**	-	
Eye to Eye Puzzles Ltd.	**11**	**11**	-	-
Recharged expenses				
Media Librium B.V.	**-**	**85**	-	78
Latlong B.V.	**-**	**68**	-	187
Eye to Eye Puzzles Ltd.	**-**	**387**	-	-
Dutch Creative Industry Fund B.V.	**-**	**88**		188

A provision of 156 (2015: 453) has been formed on receivables from related parties. In 2016, TMG paid 9,709 (2015: 10,955) in contributions to Stichting-Telegraafpensioenfonds 1959. Including employees' contributions the total was 14,563 (2015: 15,803). 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

See note 8 to the Company financial statements for information on events after the reporting date.

Company statement of profit or loss

In thousands of euros	Note	2016	2015
Operating result		**-**	-
Result of subsidiaires		**8,333**	-10,023
Financial expense	2	**-9,944**	-10,277
Net financial expense		**-1,611**	-20,300
Result before tax		**-1,611**	-20,300
Income tax		**-3,169**	2,460
Result for the year		**1,558**	-22,760

Company statement of financial position

at 31 December, before appropriation of result

In thousands of euros	Notes	2016	2015
NON-CURRENT ASSETS			
Financial assets			
Participating interests in group companies		**288,850**	280,724
Loans to group companies		**100,655**	117,773
Deferred tax assets		**39,661**	27,696
Total financial assets	3	**429,166**	426,193
Total non-current assets		**429,166**	426,193
CURRENT ASSETS			
Receivables			
Group companies		**2,461**	1,161
Other receivables		**-**	182
Cash and cash equivalants		**37**	37
Total current assets		**2,498**	1,380
Total assets		**431,664**	427,573
EQUITY			
Issued capital		**11,588**	11,588
Statutory reserves		**1,243**	539
Other reserves		**212,996**	245,813
Retained earnings		**1,558**	-22,760
Total equity	4	**227,385**	235,180
NON-CURRENT LIABILITIES			
Group companies		**177,824**	177,824
Total non-current liabilities	5	**177,824**	177,824
CURRENT LIABILITIES			
Group companies		**26,382**	13,889
Other current liabilities		**73**	680
Total current liabilities	6	**26,455**	14,569
Total liabilities		**204,279**	192,393
Total equity and liabilities		**431,664**	427,573

Notes to the company financial statements

1. Significant accounting policies

The company financial statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Netherlands Civil Code. Telegraaf Media Groep N.V. uses the option in Section 362(8) of Book 2 of the Netherlands Civil Code when determining its accounting policies. This means that the accounting policies (the policies for the valuation of assets and liabilities and the determination of the result) for the company financial statements of Telegraaf Media Groep N.V. are the same as those used for the consolidated financial statements. Investments in group companies are recognised at net asset value established in accordance with the accounting policies for the consolidated financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the European Commission and interpretations of these standards by the IFRIC.

Please see pages 93 to 105 for a description of the accounting policies. The share of result of associates is the share of Telegraaf Media Groep N.V. in the results of these participating interests. Results on transactions which have involved the transfer of assets and liabilities between Telegraaf Media Groep N.V. and its participating interests and between participating interests themselves have not been recognised insofar as they cannot be regarded as having been realised. See the Notes to the consolidated financial statements, unless otherwise stated.

Following a change in the law, public interest entities are no longer permitted to present an abridged statement of profit or loss in the company financial statements (as previously permitted pursuant to Section 402 of Book 2 of the Netherlands Civil Code). This change has only a small impact given the limited activities within Telegraaf Media Groep N.V.

Telegraaf Media Groep N.V. has its registered office in Amsterdam and is registered under number 33121350 in the Trade Registry.

2. Financial expense

This is 5.5% interest on the intercompany loan from TMG Investeringen B.V.

3. Financial assets

Movements in financial assets were as follows:

In thousands of euros	Participating interests in group companies	Loans to group companies	Deferred tax assets	Total
Carrying amount at 1 January 2016	**280,724**	**117,773**	**27,696**	**426,193**
Share of result for the year	8,333	-	-	8,333
Share of actuarial results	-232	-	-	-232
Effect of acquisition of non-controlling interests	-1,705		-	-1,705
Tax asset on tax loss 2016	-	-	11,282	11,282
Other temporary differences	-	-	683	683
Repaid on loans	-	-17,118	-	-17,118
Other	1,730	-	-	1,730
Carrying amount at 31 December 2016	**288,850**	**100,655**	**39,661**	**429,166**

In thousands of euros	Participating interests in group companies	Loans to group companies	Deferred tax assets	Total
Carrying amount at 1 January 2015	282,912	-	26,148	309,060
Share of result for the year	-10,023	-	-	-10,023
Share of actuarial results	-662	-	-	-662
Effect of acquisition of non-controlling interests	-118		-	-118
Tax asset on tax loss 2015	-	-	7,036	7,036
Other temporary differences	-	-	-5,488	-5,488
Loans provided	-	117,773	-	117,773
Other	8,615	-	-	8,615
Carrying amount at 31 December 2015	280,724	117,773	27,696	426,193

Deferred tax assets relate mainly to the cumulative losses of the TMG fiscal unity for income tax purposes, see note 29 to the consolidated financial statements.

A statement of the information required pursuant to Sections 379 and 414 of Book 2 of the Netherlands Civil Code has been filed with the Chamber of Commerce in Amsterdam.

4. Equity

The company equity is equal to the consolidated equity attributable to shareholders of Telegraaf Media Groep N.V. (see page 92).

Movements in equity were as follows:

In thousands of euros	Issued capital	Statutory reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2016	**11,588**	**539**	**245,813**	**-22,760**	**235,180**
Treatment of loss	**-**	**-**	**-22,760**	**22,760**	**-**
Result for the year	-	-	-	1,558	1,558
Other comprehensive income	-	-	-232	-	-232
Total comprehensive income for the year	**-**	**-**	**-232**	**1,558**	**1,326**
Dividend paid	-	-	-7,416	-	-7,416
Acquisition of minority interest	-	-	-1,705	-	-1,705
Non-distributable results of associates	-	704	-704	-	-
Balance at 31 December 2016	**11,588**	**1,243**	**212,996**	**1,558**	**227,385**

The statutory reserve is maintained pursuant to Section 365 of Book 2 of the Netherlands Civil Code for non-distributable profits of associates. The movements in 2016 were the capitalisation of internally-developed assets at associates offset by a release to the other reserves because of the depreciation of the same assets in 2016, and legally-required reserves held by subsidiaries abroad.

5. Non-current liabilities

In thousands of euros	**2016**	2015
Group companies	**177,824**	177,824
Total	**177,824**	177,824

The non-current Group companies liability relates to a loan from TMG Investeringen B.V.

6. Current liabilities

In thousands of euros	**2016**	2015
Group companies	**26,382**	13,889
Acquisition payables	**-**	310
Other current liabilities	**73**	370
Total	**26,455**	14,569

The liability to Group companies relates to liabilities within the group as a result of intra-group transactions.

7. Off-balance sheet liabilities

Joint and several liability and guarantees

Pursuant to Section 403(1)(f) of Book 2 of the Netherlands Civil Code, the Company is liable for the debts arising from the legal transactions of the Dutch group companies in which it held an interest of 95% or more throughout the year. 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 and almost all of its wholly-owned subsidiaries in the Netherlands form a single fiscal unity for both income tax and VAT purposes. Within the fiscal unity, TMG companies are jointly and severally liable for tax liabilities to the tax authorities.

Other contractual obligations

The other off-balance sheet liabilities were 1,000. Of these 500 have a term of less than one year and 500 a term of between one and five years.

8. Subsequent events

On 23 January 2017, TMG received an unsolicited, non-binding conditional bid from Talpa Holding N.V. for the acquisition of all issued and outstanding TMG depositary receipts and shares for an indicative price of €5.90 (cum dividend) in cash per TMG depositary receipt. This followed an unsolicited, non-binding conditional bid received on 14 December 2016 from Mediahuis and VP Exploitatie for an indicative price of €5.25 per TMG depositary receipt.

On 20 February 2017, Mediahuis and VP Exploitatie increased the indicative price for its unsolicited, non-binding conditional bid to €5.90 (cum dividend) and on 5 March 2017 to €6.00 (cum dividend) in cash per TMG depositary receipt and share.

On 1 March 2017, Talpa Holding N.V. announced its intention to raise its indicative price to €6.35 (cum dividend) in cash per TMG depositary receipt. On 6 March 2017, this was increased to €6.50 (cum dividend) in cash per TMG depositary receipt.

On 5 March 2017, the Supervisory Board resolved to suspend both members of the Executive Board with immediate effect. In accordance with TMG's articles of association, the Supervisory Board is temporarily performing the executive functions. Although they were both in office until the end of the 2016 financial year, in view of their suspension, the members of the Executive Board have not signed the financial statements.

On 5 March 2017, TMG, Mediahuis and VP Exploitatie entered into a conditional agreement in connection with the proposed bid by Mediahuis and VP Exploitatie for TMG. Mediahuis and VP Exploitatie have submitted a bid notice for approval by the Netherlands Authority for the Financial Markets on 8 March 2017. The bid will be made by publishing the approved bid notice. The bid will be conditional on certain requirements being met. TMG will announce its position with respect to the bid in a reasoned submission during an Extraordinary General Meeting of Shareholders in connection with the bid, that will be combined with the Annual General Meeting of Shareholders on 1 June 2017. It is expected that the bid will be finalised in the second or third quarter of 2017.

In connection with the conditional agreement that TMG, Mediahuis and VP Exploitatie entered into on 5 March 2017,Talpa Beheer B.V. and Dasym Investments II B.V. applied to the Enterprise Chamber of the Amsterdam Court to take immediate relief measures, to institute an investigation into the course of events at TMG and to appoint an independent supervisory director. The Enterprise Chamber made a provisional judgement on 21 March 2017, ruling that there were no valid grounds to doubt proper policy-making or the course of events at TMG. It dismissed all requests to impose immediate measures. The request submitted by the suspended members of the Executive Board of TMG to lift their suspension was also dismissed by the Enterprise Chamber. The date of the session during which the request to order an inquiry will be addressed, has not yet been determined.

On 14 March 2017, the Supervisory Board appointed Mr Hans Bakker as interim Executive Director of TMG with immediate effect. In this position, Mr Bakker will be responsible for the daily management of the company. He will continue to hold this position until a new Executive Board has been appointed.

On 13 March 2017, all conditions required to effectuate the revolving credit facility agreed in December 2016 were met. The amendments relate chiefly to allow a possible sale and leaseback of property and are chiefly the extension of the facility by 20 months to 10 March 2020, the reduction of the maximum amount that can be drawn to €50 million and the provision of collateral such as pledges of receivables, IP rights and shares in Keesing Media Group B.V. and a positive mortgage pledge on certain properties. The facility will be reduced to €30 million after a possible sale and leaseback has been completed.

On 23 March 2017, TMG announced the intended sale of a substantial part of its weekly magazines portfolio (door-to-door newspapers and brands), which is part of the Holland Media Combinatie segment, to BDUmedia (part of Koninklijke BDU in Barneveld). This is a component of the organisational changes announced in July 2016, aimed at continuation of the 24/7 strategy and structural cost reductions. In 2016, the contribution of the titles to be sold amounted to € 13,951 and their contribution to the result was marginal. The transaction will involve a restructuring charge of around €3,000.

9. Appropriation of profit

The Executive Board proposes, with the approval of the Supervisory Board, that the General Meeting of Shareholders adds the profit for the year of 1,558 for the financial year 2016 to the other reserves. This proposal has not yet been recognised in the Financial Statements.

10. Remuneration of the members of the Executive and Supervisory Boards

Remuneration

The short-term variable remuneration of the Executive Board is a maximum of 50% of the basic salary, 60% of which is determined by the degree to which the joint targets of the Executive Board are achieved and 40% by the degree to which the individual targets for members of the Executive Board are achieved. Mr van der Snoek's 2016 targets were strategic, financial, HR, communication-related and operational. Mr Epskamp's targets were primarily financial in nature. For 2016, 50% of the targets set were achieved by both board members. Mr van der Snoek's variable remuneration amounts to € 114,188 (2015: €202,500) for 2016. Mr Epskamp's variable remuneration amounts to € 95,156 (2015: €168,750) for 2016.

In 2015, the phantom share plan was added to the long-term remuneration of the members of the Executive Board. Under this plan, the members of the Executive Board are entitled to a cash payment equal to the number of unconditionally awarded phantom shares at the end of the performance period (31 December 2018) multiplied by the average price of the TMG share in the final quarter of the plan period (fourth quarter of 2019). These cash-settled phantom shares are conditional on being in office during the performance period and meeting the four performance targets. These targets relate to the development of the price of the TMG share compared to a peer group (30% weighting), a revenue target for 2018 (15% weighting), an EBITDA margin target for 2018 (25% weighting) and two ESG criteria, being the reduction of CO_2 and the implementation of an internal Talent Management Program (30% weighting). The fair value of the obligation on the reporting date was established taking into account the characteristics of the long-term remuneration plan and using an estimate of the extent to which the various performance criteria had been achieved.

On 31 December 2016, the fair value of the conditionally awarded phantom shares was € 4.75 per share and the outstanding liability for the phantom share plan was 145 (2015: 76). The cost charged to profit or loss was 69 (2015: 76). The maximum number of phantom shares that can be awarded at the end of the performance period is 74,013 to Mr van der Snoek and 61,678 to Mr Epskamp.

The table below shows the remuneration of the members of the Executive and Supervisory Boards on an accrual basis and other benefits.

						2016
In euros	Fixed remuneration	Variable remuneration	Deferred remuneration	Phantom shares	Other short-term benefits[1]	Total
Members of the Executive Board						
G-J.E. van der Snoek	**456,750**	**114,188**	**14,937**	**37,288**	**89,268**	**712,431**
L.N.J. Epskamp	**380,625**	**95,156**	**14,937**	**31,074**	**70,929**	**592,721**

1 Car lease costs, expenses and compensation for cap on accrual of pension entitlements

In euros	Fixed remuneration	Variable remuneration	Deferred remuneration	Phantom shares	Other short-term benefits	2015 Total
Members of the Executive Board						
G-J.E. van der Snoek	450,000	202,500	14,733	41,633	82,978	791,844
L.N.J. Epskamp	375,000	168,750	14,733	34,694	70,271	663,448

Remuneration of the Supervisory Directors

In euros	**2016 Periodic remuneration**	2015 Periodic remuneration
Members of the Supervisory Board		
M.A.M. Boersma , chairman	**51,819**	51,510
J.J. Nooitgedagt, vice-voorzitter	**48,263**	47,975
A.R. van Puijenbroek, secretaris	**46,231**	45,955
mevr. A.G. van den Belt	**41,150**	40,905
mevr. S.G. Brummelhuis	**46,231**	45,955

No deferred remuneration is granted to Supervisory Directors.

From 2015, the remuneration of Supervisory Directors is being indexed using the CPI index.

Share ownership at 31 December 2016

None of the members of the Executive Board or the Supervisory Directors held any shares in Telegraaf Media Groep N.V. on the reporting date (2015: nil).

11. Audit fees

The fee recognised in the financial statements for the external auditor Deloitte Accountants B.V. and its affiliated audit firms, pursuant to Section 382 of Book 2 of the Netherlands Civil Code, was as follows:

In thousands of euros	**2016**	2015
Audit of the financial statements	**679**	584
Other assurances services	**62**	109
Tax advice	**-**	-
Other non-audit services	**-**	-
Total	**741**	693

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

Amsterdam, 31 March 2017

In connection with the suspension of the Executive Board per 5 March 2017, this annual report is signed by the Supervisory Board, which is temporarily charged with this executive task in accordance with TMG's articles of association.

The Supervisory Board, temporarily responsible for the management of TMG:

Jan Nooitgedagt, Vice Chariman and acting Chairman
Guus van Puijenbroek, Secretary
Annelies van den Belt
Simone Brummelhuis

As, for health reasons, Michiel Boersma is temporarily unable to performs his tasks, his role, including the signing of this annual report, is being fulfilled by vice-chairman Jan Nooitgedagt.

Additional information

Independent Auditor's Report

For the independent auditor's report we refer to page 154 in the Dutch version of the annual report 2016.

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.

Key figures per year

	2016	2015	2014[1]	2013	2012[2]	2011	2010	2009	2008	2007
Equity x € 1,000[3]	**227,385**	235,180	258,719	298,786	424,760	465,828	531,075	465,962	411,576	866,815
TMG's equity as a percentage of total equity and liabilities	**57.3%**	52.7%	54.4%	53.7%	53.1%	55.6%	66.7%	61.1%	54.0%	70.3%
Current ratio	**0.61:1**	0.61:1	0.72:1	0.7:1	0.45:1	0.50:1	0.72:1	0.78:1	0.7:1	2.64:1
Gearing	**1.34:1**	1.12:1	1.19:1	1.16:1	1.13:1	1.25:1	2.00:1	1.57:1	1.17:1	2.37:1
TMG's revenue x € 1,000	**420,370**	481,333	512,701	542,230	555,850	577,200	592,297	611,840	684,204	738,795
Cash flow from operating activities x € 1,000	**-2,851**	16,312	24,129	-15,465	21,977	17,485	59,569	49,252	64,962	62,130
Result for the year x € 1,000 **	**1,558**	-22,760	-33,806	177,597	-10,602	-32,590	81,826	70,505	-359,988	400,097
TMG's result for the year as a percentage of total revenue	**0.4%**	-4.7%	-6.6%	32.8%	-1.9%	-5.6%	13.8%	11.5%	-52.6%	54.2%
Operating result as a percentage of total revenue	**-2.0%**	-4.4%	-6.1%	-1.9%	2.9%	-14.3%	3.8%	-0.5%	-5.4%	-3.8%
Average total revenue per employee (FTE)	**234,844**	227,366	219,009	209,760	204,658	204,536	207,751	204,743	207,272	201,590
Employees at year-end (FTE)	**1,766**	2,049	2,259	2,459	2,745	2,940	2,851	2,988	3,278	3,594
Return on equity	**0.7%**	-9.7%	-13.1%	59.4%	-2.5%	-7.0%	15.4%	15.1%	-87.5%	46.2%
Pay-out ratio	**p.m.**	p.m.	p.m.	169.6%	p.m.	p.m.	26.3%	23.7%	p.m.	11.9%
Per TMG share with a nominal value of € 0.25										
(rounded to whole euro cents):										
Equity	**4.91**	5.07	5.58	6.45	9.16	9.99	11.12	9.76	8.62	17.43
Cash flow from operating activities	**-0.06**	0.35	0.52	-0.33	0.47	0.37	1.25	1.03	1.35	1.24
Earnings	**0.03**	-0.49	-0.73	3.83	-0.23	-0.69	1.71	1.48	-7.49	8.00
Dividend	**p.m.**	p.m.	0.00	6.50	0.00	0.47	0.45	0.35	0.35	1.00
Lowest closing share price	**3.36**	3.60	5.61	7.92	6.60	9.10	14.52	8.95	8.86	19.69
Highest closing share price	**5.00**	6.49	9.11	14.85[4]	10.49	16.45	16.45	14.80	24.86	26.87
Closing share price as at 31 December	**4.75**	3.75	6.09	9.11	8.00	9.95	14.95	13.14	12.45	25.00

1 Excluding Relatieplanet.nl (held for sale in 2014 and 2013)
2 Adapted for IAS19R.
3 Attributable to shareholders of Telegraaf Media Groep N.V.
4 Before interim dividend payment of € 6.00.

Annual report 2016 of the Telegraaf Media Groep N.V. Share Administration Trust

Telegraaf Media Groep N.V. (TMG) is a listed company. The depositary receipts for shares in TMG are traded on the Euronext Amsterdam N.V.

The objects of the Stichting Administratiekantoor van aandelen Telegraaf Media Groep N.V. (Telegraaf Media Groep N.V. Share Administration Trust - hereinafter: the Trust) include issuing convertible bearer depositary receipts for shares in exchange for which the Trust acquires and administers ordinary shares in its own name. The Trust administers those ordinary shares and exercises the rights, including the voting rights, attaching to them.

In exercising the rights attaching to the shares, the Trust focuses primarily on the interests of the holders of depositary receipts with due consideration for the interests of TMG and its related businesses. The issue of depositary receipts for shares is a measure designed to prevent the absence of shareholders at a General Meeting of Shareholders leading to a minority of shareholders, by happenstance or otherwise, controlling the decision-making process of the meeting.

Shareholders are entitled to attend, speak and vote at general meetings of shareholders. Holders of depositary receipts are entitled to attend and speak at meetings. Holders of depositary receipts may obtain a voting proxy for the duration of a meeting from the Board of the Trust that entitles them to vote. Since TMG's depositary receipts for shares can be converted without limitation, the issue of depositary receipts for shares does not constitute an anti-takeover measure for TMG.

In 2016, there was a net increase of 50,000 in the number of convertible depositary receipts for shares in TMG issued by the Trust to 29,537,785 (with a nominal value of €0.25 each) at 31 December 2016, corresponding to a nominal amount of €7,384,446.25. An equal number of shares was administered by the Trust against these depositary receipts.

Two meetings took place on 7 April 2016. The items discussed during the regular Board meeting (minutes available on the Trust's website) included the Trust's financial statements and report for the 2015 financial year and its financial position. TMG's financial statements were extensively discussed with Mr L.N.J. Epskamp, CFO of TMG. The reappointment of Messrs Schneider (A member) and Ruijgrok (B member) and the agenda for the subsequent meeting of holders of depositary receipts and the General Meeting of Shareholders on 21 April 2016 were also discussed. Messrs Schneider (A member) and Ruijgrok (B member) were reappointed subject to the holders of depositary receipts not making a recommendation on these reappointments. In addition to Mr Epskamp, Mr G-J.E. van der Snoek, CEO of TMG, and Mr M.A.M. Boersma, Chairman of the Supervisory Board of TMG, were present for part of this meeting.

The Meeting of the Holders of Depositary Receipts for Shares took place subsequently in the afternoon of 7 April 2016 (minutes available on the Trust's website). This year only one holder of depositary receipts for shares and a guest 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 9 April 2015, a review of TMG's General Meeting of Shareholders held on 23 April 2015, the activities of the Board during 2015, the reappointment of Messrs Schneider (A member) and Ruijgrok (B member) and preparations for TMG's General Meeting of Shareholders on 21 April 2016. Since the holders of depositary receipts did not make a recommendation on the reappointments, the nominations of Messrs Schneider (A member) and Ruijgrok (B member) were ratified. The questions from the holder of depositary receipts and the questions of the Board to be raised in the shareholders' meeting were discussed during the meeting. The questions related among other things to TMG's strategy and financial performance, the transaction with Talpa and the dividend policy.

TMG's annual General Meeting of Shareholders was held in Amsterdam on 21 April 2016 (www.tmg.nl). The Board issued voting proxies for the duration of the meeting to the holders of depositary receipts for shares present at the meeting. The Board represented over 18.92% of the votes during this meeting while the holders of depositary receipts for shares with proxies represented almost 45.44%. The Board voted in favour of the resolutions on the agenda subject to a vote, with the exception of Item 4a (Discharge of the members of the Executive Board for their management in 2015) on which it abstained.

The questions from Mr de Waard (chairman of the Board) during the General Meeting of Shareholders addressed TMG's financial results, the transaction with Talpa and investor relations.

The Board's second regular meeting was held on 7 October 2016 (minutes available on the Trust's website). The agenda included discussion of TMG's 2016 half year report (in the presence of the CFO of TMG, Mr L.N.J. Epskamp), the Trust's financial position, the remuneration of the members of the Board and amendment of the Trust's statutes and the trust conditions. In addition to Mr Epskamp, Mr G-J.E. van der Snoek, CEO of TMG, and Mr M.A.M. Boersma, Chairman of the Supervisory Board of TMG, were present for part of this meeting.

The annual remuneration, excluding VAT, of the Board members was raised in 2016 from €9,000 to €15,000 (exclusing VAT) for the Chairman and from €7,000 to €10,000 (excluding VAT) for the other board members, paid in arrears per calendar year. In addition to the remuneration of the Board, the annual cost of the Trust's activities, including VAT, consisted primarily of expenses of €15,148 related to the stock exchange listing and general administrative expenses and the audit fee of €4,081. The Trust's total expenses for 2016 were € 96,795 (2015: €64,927).

The Trust's Board is independent as meant by Section 118a(3) of Book 2 of the Netherlands Civil Code and consists of the following members, who hold the following current and/or former positions:

Members	Positions held
T. de Waard, chairman	Lawyer at DeWaardSinke Advocaten
E.S. Schneider, secretary	Independent organisation consultant specialising in publishers and printers (to 2006)
W. Ruijgrok	Former director of VNO-NCW
J.F.H.M. van Exter	Former Managing Director of Tata Steel Nederland Services B.V.
E.J. Cornelissen	Employed by Korn Ferry

Amsterdam, March 2017

Stichting Administratiekantoor van aandelen Telegraaf Media Groep N.V.

c/o Basisweg 30
1043 AP Amsterdam