

Annual Report 2001



N.V. Holdingmaatschappij De Telegraaf

MANAGING BOARD

F.Th.J. Arp (1954)

Mr F.Th.J. Arp became director of the company on 1 July 1997. From 1991 to 30 June 1997, he was one of the partners of Deloitte & Touche Accountants. Prior to this he was already active in the accountant field. Mr. Arp studied business economics at the Rotterdam Erasmus University.

J. Olde Kalter (1944)

Mr J. Olde Kalter was appointed director on 1 January 1995. Prior to this, Mr Olde Kalter held several positions within the company and, in the course of his career, was temporarily based in the United states. Mr Olde Kalter is editor-in-chief of daily newspaper De Telegraaf.

A.J. Swartjes (1949)

Mr A.J. Swartjes has been director since 1 January 1991, after having occupied several positions in the company since 1978. Prior to this, he was attached to Reader's Digest and to Colgate/Palmolive during the period from 1974 to 1978.

W.O. Kok (1961)

Mr W.O. Kok was appointed director on 1 January 1999. he has been in the employ of De Telegraaf since 1986 and held several positions, including those of manager of the Amsterdam newspaper printing companies and deputy general of the technical department. Mr Kok studied engineering at Technical College and Economics at the University of Amsterdam.

L.G. van Aken (1941) until 1 December 2001

H. Schor (1940) until 28 February 2001

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SUPERVISORY BOARD MEMBERS

A.J. van Puijenbroek, chairman

Age: 54 years
Nationality: Dutch
Position: director of N.V. Exploitatiemaatschappij
Van Puijenbroek
Supervisory
Board memberships: Media Groep Limburg B.V.
Initial appointment: ... 15 - 05 - 1975
Current term: 1999 - 2003

W.H. Charles, vice-chairman

Age: 68 years
Nationality: Dutch
Position: former member of the managing
Board of N.V. Holdingmaatschappij
De Telegraaf
Supervisory
Board memberships: Media Groep Limburg B.V.
Initial appointment: ... 15 - 06 - 1994
Current term: 1998 - 2002

J.A. Brewer-de Koster, secretary

Age: 64 years
Nationality: Dutch
Initial appointment: ... 17 - 06 - 1992
Current term: 1998 - 2002

W. Overmars

Age: 69 years
Nationality: Dutch
Supervisory
Board memberships: . ABN Amro N.V., Bavaria N.V.,
PontEcen N.V.
Initial appointment: ... 05 - 06 - 1996
Current term: 2000 - 2004

W. van Voorden

Age: 59 years
Nationality: Dutch
Position: chairman of CTZ (College Toezicht
Zorgverzekeringen)
professor Erasmus Universiteit
Rotterdam
Supervisory
Board memberships: . Batenburg Beheer N.V.,
E.I.M. Groep B.V. (Economisch
Instituut Midden- en kleinbedrijf)
Initial appointment: ... 04 - 06 - 1997
Current term: 2001 - 2005

H.L. Weenen

Age: 57 years
Nationality: Dutch
Initial appointment: ... 26 - 06 - 1980
Current term: 2000 - 2004

Report of the Supervisory Board to the shareholders

We are pleased to present you with the report, the balance sheet as at 31 December 2001, and the profit and loss account for 2001 with the notes thereto, as drawn up by the Managing Board.

The annual accounts have been audited and approved by Deloitte & Touche Accountants, Leiden, as shown by the auditors' report included in this report. The annual accounts were reviewed with the auditor at the yearly meeting between the auditor and the Supervisory Board. They were subsequently adopted by the Board.

In accordance with the proposal and with the approval of the General Meeting of Shareholders of 3 May 2001, W. van Voorden was reappointed to the Supervisory Board.

Stichting Beheer van prioriteitsaandelen N.V. Holdingmaatschappij De Telegraaf has resolved to increase the number of seats on the Supervisory Board by one. We intend to appoint Mr L.G. van Aken to the Supervisory Board, where he will occupy the added seat. According to the schedule of rotation, the terms of Mr W.H. Charles and Mrs J.A. Brewer-de Koster are due to expire. We intend to reappoint Mr W.H. Charles as Supervisory Director for a period of three years after which he reaches the age limit prescribed by the articles of association. We also intend to reappoint Mrs J.A. Brewer-de Koster for one more year in accordance with her wish. We have set up a committee to nominate a suitable candidate for filling the vacancy that is due to arise in 2003 when Mrs J.A. Brewer-de Koster retires from the Board. The Works Councils of the company have since issued a positive advice regarding the proposed (re)appointments.

During the past year, our Board met nine times with the Managing Board, reviewing, amongst other things, personnel and organisation, strategy, the company's risk

exposure, financial matters and the intended merger between Biegelaar Groep and Brouwer Groep. During the year under review, much attention was focused on cost-saving measures and staff information within the Telegraaf company in connection with the downturn in the result.

During a meeting not attended by the Managing Board, we reviewed our own performance, the Board's relations with the Managing Board and the Managing Board's composition and performance.

During the year under review, members of the Supervisory Board attended a few consultative meetings of the Works Council of the Amsterdam businesses.

We would like to express our great appreciation to the Managing Board and the staff for the way in which they performed their tasks in 2001. During the year under review, we had to take our leave from Holding board members H. Schor and L.G. van Aken as they reached early-retirement age. We are greatly indebted to them for their great efforts and commitment to the Telegraaf company over many years.

We recommend:

- That the annual accounts for 2001 be approved in accordance with the documents presented to you.
- That the Managing board is discharged for the policy pursued during the year and the Supervisory Board for the supervision exercised.
- That the dividend per share of € 0,25 par value for the financial year 2001 be fixed at € 0.11 in cash (2000: NLG 0.84 or (€ 0.38) in cash per share of NLG 0.50, or (€ 0.23) par value).
- That the dividend be made payable on 7 May 2002 at ABN-Amro Bank N.V., Amsterdam.

On behalf of the Supervisory Board

A.J. van Puijenbroek, Chairman

Amsterdam, 21 March 2002



Renewing

Not only a matter of **new concepts**, but also of new markets and market segments. New areas and new ways of serving them. Making sure that the company is seen by customers, readers and viewers as catching the waves of time more promptly, with greater impact and with higher standards of excellence, whilst always considering how the advertisers can share in progress.

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CONSOLIDATED KEY FIGURES N.V. HOLDINGMAATSCHAPPIJ DE TELEGRAAF

<i>(In thousands of euros, unless otherwise stated)</i>	2001		2000	
Net turnover		822,220		811,147
Operating profit before depreciation of goodwill and other value adjustments of goodwill		49,173		101,364
Operating profit after depreciation of goodwill and other value adjustments of goodwill		9,462		80,369
Financial revenue and charges		- 3,874		- 918
Pre-tax result from ordinary trading		5,588		79,451
Company tax on result from ordinary trading		17,031		30,907
Extraordinary result after tax		- 18,067		- 92
Result after tax		- 29,510		48,452
Result appropriation:				
To the debt of / allocation to		- 29,510		28,441
Dividend pay-out (2001: charged to reserves)		5,775		20,011
Pay-out ratio		p.m.		41.3%
Cashflow		59,510		113,872
Per share:				
Result		- € 0.56		€ 0.92
Cashflow		€ 1.13		€ 2.17
Dividend		€ 0.11		€ 0.38
Number of employees at year-end		5,953		6,070

Report for the year 2001 of Stichting Administratiekantoor van aandelen N.V. Holdingmaatschappij De Telegraaf

In the year 2000, the total number of convertible depository receipts in N.V. Holdingmaatschappij De Telegraaf issued by our foundation increased by 511.652 to 25.019.314 (of € 0.25 par value) per 31 December 2001, and representing a nominal amount of € 6,254,828,50.

These depository receipts were matched by an equal number of shares held at the trust office.

During the Managing Board meeting of 5 April 2001, Mr G.A. van Hasselt retired from office, having reached the age limit prescribed by the articles of association. W.M. Lammerts van Bueren was appointed to the Board. During the meeting, the Board appointed Mr A.Harms as Chairman.

The General Meeting of Shareholders of N.V. Holdingmaatschappij De Telegraaf was held in Amsterdam on 3 May 2001. Our foundation, represented by its Chairman Mr A. Harms, cast its vote in respect of the recommendations made by the Supervisory Board to adopt the balance sheet as at 31 December 2000, the 2000 profit and loss account and the profit appropriation.

Our foundation supported the proposals to authorise the Managing Board to repurchase shares in the company, to reappoint W. van Voorden as Supervisory Board member and to amend the articles of association of N.V. Holdingmaatschappij De Telegraaf in accordance with the priority proposal. One of the amendments to the articles of association concerned the introduction of the global note. As a result, the trust conditions of our foundation had to be adjusted accordingly. Since 18 September 2001, the foundation has new trust conditions. Our foundation also supported the reappointment of Deloitte & Touche as auditors

of N.V. Holdingmaatschappij De Telegraaf and the foundation supported the increase of payment of the Supervisory Board of N.V. Holdingmaatschappij De Telegraaf.

Stichting Administratiekantoor van aandelen N.V. Holdingmaatschappij De Telegraaf

A. Harms, Chairman

Mrs J.A. Brewer-de Koster, Secretary

J.S. Dienske

W.M. Lammerts van Bueren

E.H. van Puijenbroek

Amsterdam, March 2002.

Declaration of independence

The Managing Board of N.V. Holdingmaatschappij De Telegraaf and the Board of Stichting Administratiekantoor van aandelen N.V. Holdingmaatschappij De Telegraaf hereby declare that, in their joint opinion, the requirements in respect of the independence of the Board of Stichting Administratiekantoor van aandelen N.V. Holdingmaatschappij De Telegraaf, set out in Annex X to the Listing and Issuing Rules of Amsterdam Exchanges N.V., Amsterdam, have been fully satisfied.

Managing Board of N.V. Holdingmaatschappij De Telegraaf

Board of Stichting Administratiekantoor van aandelen N.V. Holdingmaatschappij De Telegraaf

Amsterdam, March 2002.

THE COMPANY

In 2001, the company sustained a net loss of € 29.5 million compared to a net profit of € 48.5 million in 2000. The net profit for the record year of 1999 amounted to € 64.8 million. The net pre-tax loss for 2001 included a net sum of € 46 million in incidental expenditure. Gross expenditure amounted to € 58.1 million including € 28.9 million relating to provisions for reorganisation and an extraordinary write-down of € 27.2 million of goodwill relating to Dagblad De Gooi- en Eemlander. The result from ordinary activities fell from € 79.5 million to € 5.6 million, including an extraordinary write-down of € 27.2 million.

The sharp decline in advertising turnover, a trend which gathered pace in the second half of the year, is the main cause underlying the decline of the result. On top of this, newsprint

costs rose by over 20%, while delivery costs went up by over 15% compared to 2000.

The year 2001 will go down in history as one of the company's most turbulent years. After years of more or less sustained economic growth, the contours of a recession became more and more apparent in the course of 2001. The terrorist attacks on New York and Washington on 11 September 2001, combined with the cyclical low, caused a stubborn relapse in advertising volume, the persistency of which was unparalleled in the company's history.

At Dagblad De Telegraaf, still the company's engine, advertising turnover in the fourth quarter of 2001 fell by

more than 23% compared to the figure recorded in the fourth quarter of 2000; the average decline (annualized) amounted to 16% compared to 2000. At the regional newspapers and the door-to-door papers, pressure on the result was not quite as intense, as the decline in advertising volume set in at a later stage than it did at daily newspaper De Telegraaf. At the Internet activities, too, worse-than-expected turnover developments put the result under constant pressure.

Profitability of the printing division (Biegelaar Groep) declined as a result of the market's reticence. This was ex-

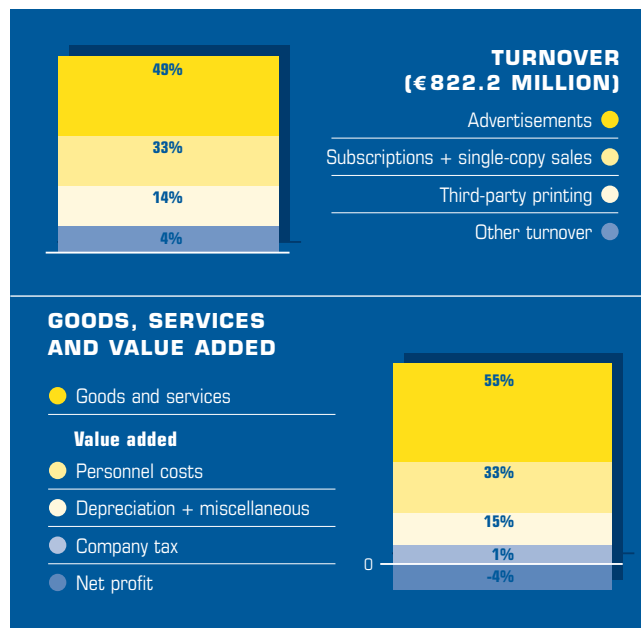
acerbated by depreciation of the printing capacity commissioned in the course of 2001. Higher interest charges and depreciation, as well as initial costs relating to the new press, caused a substantial drop in the result.

In a bid to bring the decline in the result to a quick end, the company had already embarked on a

policy of retrenchment from February 2001 on. Measures included cuts in Internet projects and operational expenditure and a selective freeze on recruitment.

Launched in August 2000, free afternoon newspaper News.nl was discontinued in April 2001 on account of disappointing advertising turnover and problems with timely distribution.

In addition, measures were implemented throughout the company aimed at structurally reducing the number of jobs by approximately 5%, or by over 300 jobs. In connection with this, it was regrettably inevitable to break with the decennia-old tradition not to have involuntary redundancy in



the Amsterdam operations. A social policy plan has been drafted in consultation with the works council and the unions. The effect of this will not show up in the results until the second half of 2002 and following years.

In consultation with the unions and works councils, an arrangement relating to the proposed reorganisation is also made at the Biegelaar Groep. The reorganisation at Media Groep Limburg was connected with the necessary further integration of the newspaper publishers of Uitgeversmaatschappij Limburgs Dagblad and Uitgeversmaatschappij De Limburger. A slump in advertising turnover and a sharp drop in circulation of Limburgs Dagblad are making further drastic measures imperative. In connection with the reorganisation, provisions for reorganisation totalling € 28.9 million have been formed.

Earnings before interest, taxation and depreciation (EBITDA) declined from € 140.9 million in 2000 to € 93.6 million in 2001. The cash flow decreased from € 113.9 million in 2000 to € 59.5 million in 2001.

Depreciation of tangible fixed assets increased following the commissioning of investments in Amsterdam and Maarssen. Amortisation of intangible fixed assets declined on the one hand as a result of the lapse of the amortisation schedule in respect of goodwill relating to special interest magazines acquired in 1996 (€ 10.0 million) and increased on the other hand as a result of the amortisation of purchased goodwill relating to the takeover of Uitgeversmaatschappij De Limburger in May 2000. In contrast to the amortisation of the special interest magazines, the amortisation of the goodwill relating to the takeover of Uitgeversmaatschappij De Limburger is not tax-deductible.

Furthermore, as mentioned above, there was an additional write-down on the goodwill purchased in respect of the acquisition of Dagblad De Gooi- en Eemlander in 1997.

This was necessitated by a structural drop in the result due to shrinking circulation and advertising volumes. The remaining goodwill of € 5.4 million will be amortised over the next fifteen years.

The long-drawn-out dispute with the tax authorities concerning the application of the so-called base stock system for the valuation of newsprint and ink stocks was recently resolved. The difference between the valuation for tax and commercial purposes as at 31 December 2000 is to

be released in favour of the tax result over a period of five years.

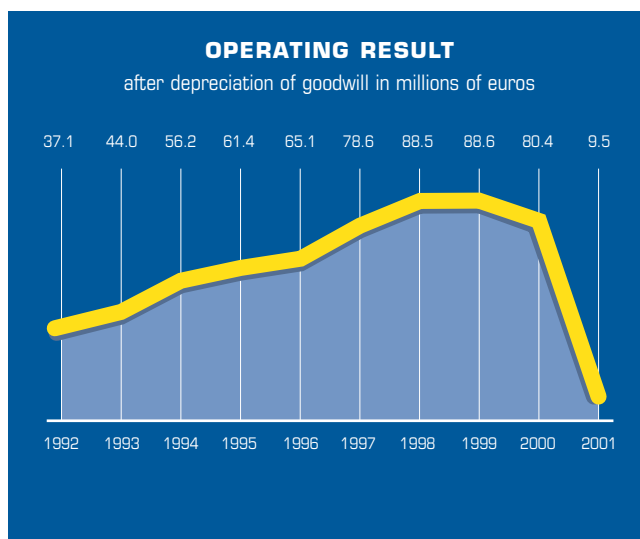
Also, following a study, the amortisation period applicable to goodwill purchased in 1996 on the special-interest magazines of Elsevier was extended from five to ten years. This has resulted in a shift from

deferred to immediate tax payment liability and, as such, apart from an interest disadvantage, does not impact the result.

Turnover

Turnover increased by 1.4% from € 811.1 million in 2000 to € 822.2 million in 2001. The autonomous decline in turnover was 2.5%

The increase in turnover consisted of a decline in advertising income of net € 31.1 million and an increase of € 24.9 million in circulation income. Furthermore, the turnover generated by other activities, including third-party distri-



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bution and the publication of books, increased by € 5.8 million and that of third-party printing by € 5.7 million. Other turnover rose by € 5.8 million compared to 2000.

In 2001, company turnover comprised € 405.2 million (49%) in advertising income and € 269.3 million (33%) in circulation income. Turnover from third-party printing amounted to € 112 million (14%), € 83.7 million of which was non-newspaper related; other income totalled € 35.7 million (4%).

In 2000, the corresponding figures were: € 436.3 million, € 244.4 million, € 104.0 million and € 26.4 million, or 54%, 30%, 13% and 3%.

Turnover broken down by segment amounted to

<i>x € 1 million</i>	2001		2000	
Publishers				
National newspapers	363.0	(44%)	381.8	(47%)
Regional newspapers	233.6	(28%)	196.0	(24%)
Door-to-door papers	78.2	(10%)	91.9	(11%)
Magazines	58.3	(7%)	59.9	(7%)
Printer products				
(not newspaper-related)	83.7	(10%)	77.8	(10%)
Other activities	5.4	(1%)	3.7	(1%)
	822.2	(100%)	811.1	(100%)

In the publishers segment national newspaper turnover decreased by 5% and the regional newspapers turnover rose by 19%. This increase was particularly attributable to Dagblad De Limburger which was consolidated fully as of May 2000. Door-to-door newspaper turnover declined by 15% inter alia by the sale of the Limburger Weekbladpers. Magazine turnover declined by 3%. Turnover in the printing products segment increased by 8%.

In 2001, 2.6% of group turnover was realized in other EU countries, likewise as in 2000.

In 2001, the group achieved a turnover in other Eu-

ropean countries of € 1.3 million as compared to € 3.0 million in 2000.

The average turnover per employee decreased by 3.3%, from € 156,700 to € 151,600 in 2001. Movements in turnover, average amount of FTEs and average turnover per employee over the last five years were as follows:

	Group turnover (x € 1 million)	Average FTEs	Average turnover per employee (x € 1,000)
1997	616.2	4,350	142
1998	689.8	4,568	151
1999	721.5	4,686	154
2000	811.4	5,177	157
2001	822.2	5,425	152

Added value

Movements in the group's total added value and the average added value per employee over the last five years were as follows:

	Added value (x € 1 million)	Per employee (x € 1,000)
1997	340	78
1998	372	81
1999	388	83
2000	420	81
2001	372	69

Company strategy

The Telegraaf company aims to gather, order, edit, distribute and sell information. Accordingly, the group's core activities involve the publication (in both printed and electronic form) of national and regional newspapers, door-to-door papers, magazines and other forms of communication through participation in commercial radio and television.

In September 2001, the strategic plan for the next five years was presented. Key themes are: optimisation, renewal and internationalisation. In the year 2002, the focus will be in particular on optimisation within the framework of the necessary cost-savings. In addition, scope will be provided for renewal in the form of new titles at BasisMedia and De Telegraaf Tijdschriften Groep and innovations at the newspapers, capitalising on the strong brand names.

In many cases the forces of the printed and on-line activities will be joined. In its drive towards internationalisation, the company aims to realise at least 5% of its

turnover outside the Netherlands, mainly in the area of magazines, in less than five years.

In the medium term, the company is targeting a net return of 12% on the shareholder's equity.

The merger between Biegelaar Groep and Brouwer Groep, the company's third-party printing where it concerns the technical production of magazines, with a minority interest, as explained in further detail on page 27.

Shareholders' equity

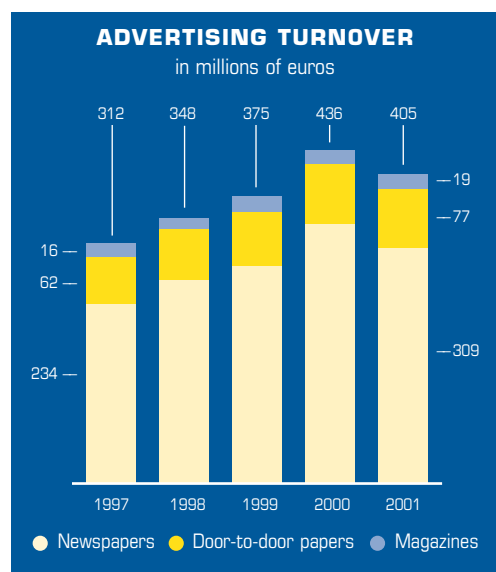
In connection with the transition from the guilder to the euro, the nominal value of each share has been adjusted

upward from NLG 0.50 (€ 0.23) to € 0.25 (NLG 0.55). The resulting increase in the share capital by a total of € 1.2 million has been charged to the general reserve. Due to the loss sustained in 2001, and the dividend pay-out over 2001, shareholders' equity per share fell from € 9.52 as at year-end 2000 to € 8.85 as at year-end 2001.

The number of shares has remained unchanged and amounts to 52,499,200 ordinary shares and 960 priority shares of € 0.25 par value. As at 31 December 2001, 25,019,314 shares, representing 47.7% of the ordinary share capital were converted into depositary receipts. At

the end of 2000, 46.7% of the share capital was converted into depositary receipts.

From 29 October 2001, depositary receipts for shares in Holdingmaatschappij De Telegraaf are no longer quoted in the Next 150 (Euronext) on account of their limited turnover rate. Since this date, both ABN Amro Bank and Fortis Bank have been acting as liquidity providers.



Dividend

Dividend policy

The dividend policy is aimed at payment in cash of approximately 35% of the profit available for distribution. In determining the dividend, account is taken, if possible, of the effects of the tax on the imputed return on investment, which was introduced on 1 January 2001.

A temporary overrun of the above-mentioned pay-out ratio is acceptable in the event of a temporary drop in the profit level.

Dividend proposal

In 2001, the company sustained a net loss of € 29.5 million partly attributable to extraordinary expenditure. The articles of association provide for a distribution charged to the free reserve. In view of the fact that, without the non-recurring charges, income on ordinary business activities after tax would have been positive, we propose to declare a dividend for 2001 of € 0.11 per share. This distribution will be charged to the free reserve.

OTHER COMPANY MATTERS

Personnel and organisation

In 2001, a large number of changes were set in motion that will manifest in the area of personnel and organisation in the years to come.

At company level, a Human Resource Management department was set up for this purpose, which, in early 2001, started with the development of a management development programme in close collaboration with Nyenrode University (The Netherlands Business School).

In addition, a few other instruments were developed and introduced, including competence management, potential assessment and a job-evaluation method for management positions.

Due to the above-mentioned drop in the result, the situation of guaranteed work and income could no longer be maintained. In connection with this, the company, in collaboration with the unions, drew up a social policy plan. Wi-

thin this particular framework, a mobility centre was set up to promote labour mobility within the company. The emphasis will initially be on assisting redundant employees in finding a different position in or outside the company.

Employment

In 2001, the number of employees, translated into FTEs, averaged 5,425 as compared to 5,177 in 2000. The worsened economic conditions made it necessary to impose a selective freeze on recruitment in the course of 2001. Employment declined as a result of the termination of the

operation of News.nl in April 2001, the sale of the Limburger Weekbladpers following the decision of the Netherlands Competition Authority and integration of the operations of De Gooi- en Eemlander and the other regional newspapers in HDC Uitgeverij Zuid. A few Internet activities were also terminated.

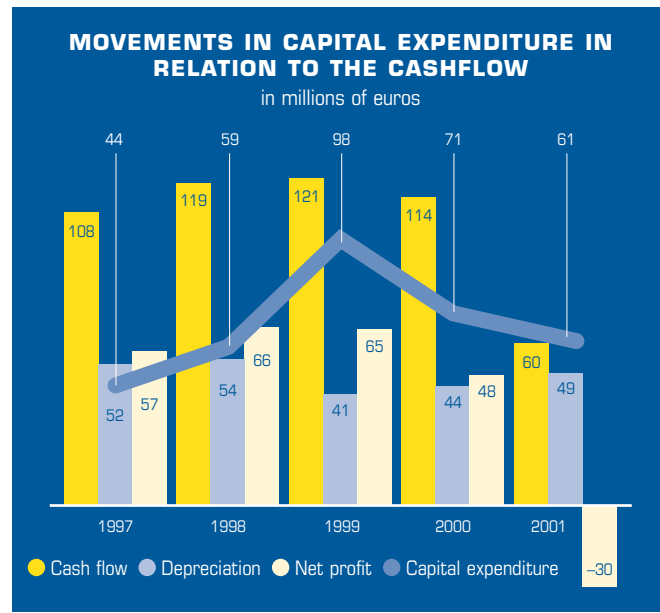
As at 31 December

2001, the number of employees amounted to 5,953 of whom 32 were stationed abroad against 6,070 persons at year-end 2000. Translated into full-time equivalents, group employment amounted to 5,393 man/woman years.

Collective Labour Agreements

The company's terms of employment are laid down in four collective labour agreements.

The 'Grafimedia' collective labour agreement expired on 1 February 2002. The pay rise on 1 February 2001 amounted to 2%. This was followed by another 2% rise on





New ©oncepts

Being creative. Devising new products. Having a shrewd market sense. Being in close touch with life, yet keeping our distance. For a part, renewal also means recombining existing strong concepts.

1 October 2001. The collective labour agreement for newspaper journalists stipulated a 3.7% pay rise with effect from 1 January 2001, while a 4% pay rise with effect from 1 July 2001 was agreed in the collective labour agreement for door-to-door paper journalists. The collective labour agreement for the road transfer and haulage sector will apply up till 1 April 2003. The pay rise with effect from 1 April 2001 amounted to 1.5%.

At the end of 2001, negotiations were started for new collective labour agreements.

Naturally, given the present economic outlook, employers are urging moderation in the wage negotiations.

Within the framework of the Invalidity Insurance (Differentiation in Contributions and Market Forces) Act (Premiëdifferentiatie en Marktwerking bij Arbeidsongeschiktheid, wet PEMBA), it was decided in 2001 to stay in the legal invalidity group insurance scheme. In connection with this, the provision of € 5.1 million formed over the last few years (and charged against the result) was released and were recorded in the social security charges of the result of 2001.

Pensions

Notwithstanding the sharp price falls of the securities during the past year, the pension funds associated with the company still had free reserves left. Therefore, no further additions will be required.

Arbo (health and safety at work)

Continual optimisation of labour conditions is an integral part of managerial policy pursued throughout the company. Risk surveys are carried to evaluate labour conditions. These are then followed by a plan of action. During the year 2001, surveys were performed for the financial and administrative services of the Amsterdam operations, BasisMedia and the holding staff.

In 2001, an additional policy was developed aimed at the prevention of RSI (Repetitive Strain Injury) and offensive behaviour. Furthermore, on 1 January 2002, the smoking policy plan was implemented at the Amsterdam operations, where a ban on smoking was introduced for those spaces not designated as special smoking areas.

The environment

During the past year, much attention was again focussed on environmental matters. Besides the preparation of the 'transport plan 2002', this included reporting to the Central Bureau of Statistics (CBS) and various municipalities. In addition, an energy-savings programme was drafted for the period 2002-2003 and information meetings were held on hazardous substances. Special attention was focussed on the storage of cleaning products. Finally an intranet site was developed for the provision of permanent information on environmental matters.

Works Council at the Amsterdam operations

The year 2001 also proved a hectic year for the Works Council of the Amsterdam operations, the members having to tackle a heavy workload. Besides the many requests for the Council's formal opinion on such matters as the integration of logistic activities in connection with the establishment of DistriQ and the organisational changes resulting from the separation between the holding management and the management of the Amsterdam operations, much energy was put into the preparation of the social policy plan. Meanwhile an agreement has been reached between the management and the unions concerning the set of measures mentioned in the social policy plan. Notwithstanding the (from time to time) trenchant discussions, consultations could again be described as constructive. The latter plan was without a doubt one of the most difficult subjects dealt with in recent years.

In connection with the organisational changes referred to above, exploratory discussions on a new employee participation structure for the Amsterdam operations were started at the beginning of 2002. In connection with this, attention will also be focussed on the creation of a central works council with effect from 1 January 2003.

INVESTMENTS

At Rotatiedrukkerij Voorburgwal the extension of the nine current presses with two four-colour printing units and the addition of a tenth press will be realised. Investments planned will take an amount of € 13.0 million, including peripherals.

In 2001, a start was made with the renovation and major repairs of the office building on Basisweg in Amsterdam. Scheduled to be completed by the end of 2003, this project is expected to require an outlay of € 23.0 million, € 14.9 million of which will relate to (overdue) maintenance work.

In connection with this, an additional sum of € 5.8 million, charged to the result for 2001, was allocated to the maintenance provision, which subsequently amounted to € 13.1 million. Together with the regular annual additions in 2002 and 2003, this provision will cover the projected maintenance. Renovation costs will be capitalised and charged against the result until the end of the ground lease term.

Commitments

In 2001, capital expenditure commitments involving tangible fixed assets, totalled € 60.7 million (exclusive of VAT). Of this amount, € 32.0 million will be due and payable in 2002 and following years. Payments in respect of commitments entered into in 2001 and previous years amounted to € 71.5 million (exclusive of VAT) in 2001.

PUBLISHING ACTIVITIES

Daily newspapers

The effective circulation of Dutch national and regional newspapers were again under pressure during the year under review. According to the HOI Institute for Media Auditing, effective circulation fell by 1.5% to 4,374,415 copies during the period from 1 October 2000 to 30 September 2001. In the previous year, the decline amounted to 0.9%. Circulation of free newspapers Splits and Metro, which were launched in 1999, are not included in this figure.

In contrast, the market share of the national and regional newspapers published by the Telegraaf company rose from 30.3% in 2000 to 30.5% in 2001 owing to the virtually unchanged circulation of daily newspaper De Telegraaf. This figure, too, does not include the circulation of Splits.



As a result of the economic downturn and the terrorist attacks on 11 September 2001, the aggregate advertising volume of all national and regional newspapers declined by 7.5% compared to the corresponding figure for 2000. This decline manifested virtually across every category.

NATIONAL NEWSPAPERS

Dagblad De Telegraaf

The result of Dagblad De Telegraaf came under heavy pressure due to a sharp decrease in advertising turnover and rising newsprint and delivery costs. As in previous years, the Internet activities continued to be highly loss-making.

Circulation

Effective circulation for 2001 amounted to 806,597 copies as compared to 808,300 copies in 2000, representing a slight decline of 0.2%. A rise in the number of subscriptions and single-copy sales abroad was neutralised by a decrease in domestic single-copy sales.

In 2001, daily newspaper De Telegraaf held a share of over 16% of the subscription market of all newspapers in the Netherlands. The market share of single-copy sales in the Netherlands roughly amounted to 35% and of Dutch newspapers abroad over 62%.

Price rises on the readers market are normally introduced with effect from 1 January. Due to the pressure exerted by sharply risen delivery costs, a 6% price rise in respect of subscriptions and single-copy sales was already introduced on 1 October 2001.

In 2001, daily newspaper distribution costs in the Netherlands also went up considerably, particularly due to the scarcity of newspaper deliverers. In 2001, in order to deal with this problem, the Telegraaf concern established DistriQ, in which all logistic activities of the company were combined step by step. On 1 January 2002, DistriQ took over all logistic activities.

From November 2001, daily circulation of daily newspaper De Telegraaf destined for the Canary Islands is printed in Gran Canaria. This enables distribution of the newspaper on all six islands in the morning of the date of issue. As a result, single-copy sales average increased by well over 1,000 copies a day.

Another novel method of newspaper distribution abroad was realised in 2001. Every day, two foreign partners

are sent daily newspaper De Telegraaf in the form of a pdf file [electronic document]. These partners own so-called digital kiosks in several hundred locations all over the world, where people can buy a copy of De Telegraaf, which is printed on site. Pages are as yet limited and black-and-white, but coloured editions will be possible in the future.

Advertisements

After seven years of sustained growth, the advertising volume declined sharply in 2001 as economic conditions deteriorated. As mentioned earlier, this trend was exacerbated by the terrorist attacks in New York and Washington on 11 September 2001. Advertising turnover of daily newspaper De Telegraaf fell by 16% compared to the year-earlier figure, totalling € 195.9 million, with the advertising volume decreasing by 15% compared to 2000. The contraction of volume occurred across all advertising categories. The category of 'national brands and services' declined by 22% in terms of volume. This decline was limited to 4% in the category of 'local brands and services'.

The advertising category most sensitive to cyclical fluctuations - 'recruitment' - fell by 32% in terms of volume, while the decline in the volume of classified 'Speurder' ads in the same category was limited to 6%. The number of classified 'Speurder' ads fell by 9.2% to 725,648.

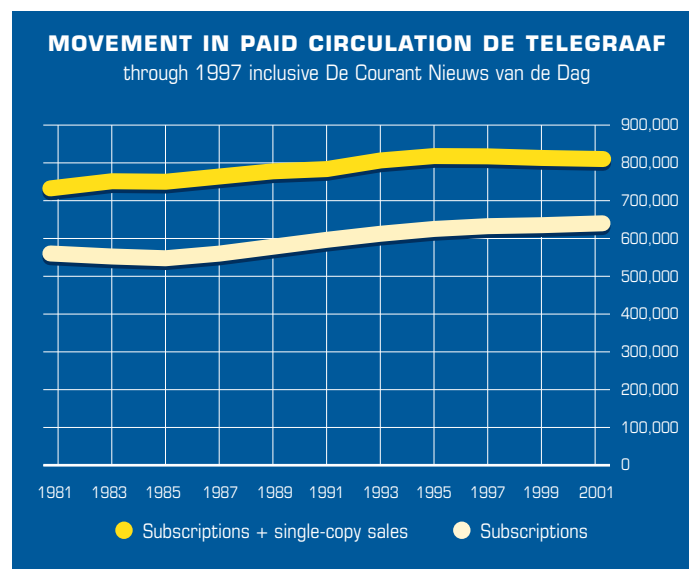
On the advertising market, a price increase averaging 3.5% was introduced for the midweek editions and 4.5% for the Saturday edition with effect from 1 January 2001.

Following extensive preliminary studies in 2001, preparations were jointly made with other daily newspapers to test rate differentiation systems under practical conditions. The outcome of this practical study will be evaluated in the course of 2002.

During the year under review, preparations were also made to fully integrate all off-line (print) and on-line (Internet) marketing and sales activities. In 2002, this should result in more efficient marketing and lower costs, with on-line and

off-line activities expected to mutually reinforce each other.

The decline in advertising turnover has resulted in sweeping cost-reduction plans in all corporate disciplines. Some of these plans were already implemented in 2001, the rest will be carried out in 2002.



Editorial developments

Editorially, the year 2001 was dominated by several major events: the café fire in Volendam, the extradition of Milosevic to the Yugoslavia Tribunal in The Hague and, in particular, the terrorist attacks in the United States of America and the ensuing war in Afghanistan. These dramatic events dominated the pages for many weeks. Lighter news was provided by the engagement of the prince royal, Willem Alexander and miss Máxima Zorreguieta. Daily newspaper De Telegraaf was prominent in its press coverage of the event.

Internally, attention was focussed on the introduction of a new text and image processing system. This system

(CCI Newsdesk) provides capability for close integration of text and image production and page design. CCI Newsdesk also provides a direct connection with electronic forms of publication, which will optimise editorial deployment.

A small-scale pilot project involving information evenings for readers was carried out. The project (highlighting annuity) was successful and this method of bolstering the relationship with readers will be continued with different topics.

De Telegraaf-i

Experiences with the Internet were mixed in 2001: on the one hand, Internet use increased among consumers while, on the other hand, the Internet industry experienced

were increasingly focussed on a limited number of sites, such as telegraaf.nl, autotelegraaf.nl, DFT.nl, reiskrant.nl and woonkrant.nl (the latter two within the framework of a joint venture). The operation of other sites was reconsidered. Veilinghal.nl, sishopper.nl and a smaller number of sites did not survive the first shake-out and were taken off the market.

Already planned at an earlier stage, the process of integration between the Internet and the newspaper was given an added boost by the cyclical change. In the 'cluster model' the 'Autotelegraaf' focussed more and more on the sales combination of on-line and off-line classified 'Speurder' ads. In the spring of the year under review, on-line 'Speur-



a slump and it also proved impossible in the Netherlands for newspaper publishers to make their on-line operations profitable.

The number of pages called up through the Telegraaf sites increased by 35% in 2001. On working days, the Telegraaf network provided an average of more than 1.7 million page views for approximately 140,000 unique visitors per 24 hours.

On-line advertising-related income fell far short of the projected figure. Still, turnover, exclusive of the turnover of the Internet joint ventures, increased by over 5%. Banners and buttons partly made way for income from the demand and supply market and category sponsoring.

The moderate rate of growth led the company to make adjustments to the on-line activities. In 2001, efforts

der' contracts were introduced for car companies, which at once resulted in an essential contribution to on-line turnover.

Furthermore, the Internet proved an excellent tool for subscriber recruitment and the sale of classified 'Speurder' ads. A new feature in 2001 was the possibility of on-line placement and payment of classified 'Speurder' ads for insertion in the physical newspaper. The number of 'Speurders' placed during the pilot stage was so high during the closing months of 2001 that it inspired confidence for the future.

As at year-end 2001, the number of permanent employees of the Telegraaf Electronic Media department (including the management department) amounted to 44, plus 22 technical employees engaged on a temporary basis. At the end of 2000, the corresponding figures were 49 and 51, respectively. The number of editors for on-line activities at De Telegraaf-i increased from 33 to 36.

ANNUAL REPORT

In 2001, the joint venture previously entered into for the development of the on-line job vacancy market was dissolved; zoomnet.nl has now become part of De Telegraaf. A similar scenario was realised at the beginning of 2002 in respect of Woonkrant.nl. Sales development in respect of the travel market - as part of a joint venture - got off to a start at year-end 2001.

For 2002 it is expected that De Telegraaf will distinguish itself in the market through a powerful commercial link between the newspaper and Internet medium types. The proposed integration will also be reflected in the organisation of Dagblad De Telegraaf. Even though 2001 was characterised by the turning tide in the Internet hype and a shake-out of dotcom firms, it is impossible to imagine present-day newspaper activities without the Internet.



BasisMedia

Circulation of Sp!ts, the morning free newspaper launched in June 1999 for commuters and published five days a week, grew from 300,000 handed out copies per day as at year-end 2000 to over 400,000 copies per day as at year-end 2001. In terms of reach, Sp!ts has become the Netherlands' second newspaper in the age bracket of 13-49 and, as such, is an important market player.

Until the summer of 2001, the advertising volume of Sp!ts surpassed expectations. However, Sp!ts, too, was not immune to the effects of the shrinking advertising market and the terrorist attacks in the United States.

After 11 September there was a sharp, unforeseen fall in advertising volume lasting several weeks, as a result of which the newspaper failed to achieve the expected contribution to the profit. Unlike other national newspapers, Sp!ts saw a recovery of the advertising volume during the closing weeks of the year.

Owing to the larger circulation and qualitatively better reach of Sp!ts, it was possible to raise advertising rates by 25% with effect from 1 January 2002.

Launched by BasisMedia in the western urban part of the Netherlands in August 2000, the afternoon free newspaper News.nl was taken off the market on 4 April 2001. The grounds for doing so were highly disappointing developments in advertising volume and major distribution problem as a result of the increasingly early evening rush hour in this part of the country.

The consequences of the termination of News.nl for the staff remained limited. Temporary contracts with employees were not prolonged and a number of permanent staff found a job in or outside the company.

REGIONAL NEWSPAPERS

Hollandse Dagbladcombinatie

Pressure on the profitability of the Dutch daily newspaper world also made itself felt at Hollandse Dagbladcombinatie (HDC). Here, too, the decline in advertising volume was the root cause of a sharp fall in the operating profit vis-à-vis both the preceding year and the expected figure. Compared to the shrinking volume of nation-wide advertising and staff advertising, the local advertising markets exhibited a less steep decline. Over the year as a whole, advertising volumes at the regional HDC newspapers shrank by an average of 4 to 10%, depending on title.

The number of regional HDC-newspapers subscriptions also showed a negative trend, with the overall decline averaging 1.5%, though here, too, the picture was widely different from newspaper title to newspaper title. This leads

to the conclusion that the decline is not only due to cyclical elements but also to a structural trend.

One of the ways to head off continually rising costs is to improve efficiency through an increase in scale. In view of this, HDC Uitgeverij Zuid was set up, in which the publishers Dagbladuitgeverij Damiate and Dagblad De Gooi- en Eemlander were integrated. In June 2001, a joint rump newspaper appeared for the first time for all HDC afternoon papers. Various departments of the two publishers were combined for this purpose. In other areas, too, forms of collaboration were and are being sought within HDC that have the potential of enhancing both efficiency and profitability. In the cour-

In the course of 2002, further decision-making about this will take place in close consultation with the works councils and editorial boards involved.

The Internet activities were concentrated in the central HDC-i department. The various sites of the HDC newspapers were given an identical format. Revenues are still modest; costs are contained through collaboration with other regional newspapers.

On 1 January 2002, distribution organisation HDC (InterHolland Verspreiders), as well as the logistic operations relating to newspaper delivery, were taken over by DistriQ.



se of the year, a study was carried out into the distribution of printing orders over the various locations within the Telegraaf company. One of the consequences of this study was that, in the course of 2002, part of the orders were moved from Alkmaar to Amsterdam, as were some of the staff handling such orders. Also, a plan was developed to optimise use of the press producing commercial third-party printing products.

The above-mentioned measures are not sufficient to effect the necessary recovery of profitability. In view of this, with the assistance of third parties, a study was carried out at year-end 2001 into potential further, more drastic cuts. Partly on the basis of the outcome of this study, a policy memorandum was issued providing for research on the possibilities of an increase in scale through a further integration of the regional newspapers of HDC Uitgeverij Zuid and Verenigde Noordhollandse Dagbladen, including integration of all activities at one location.

Media Groep Limburg

The result fell considerably short of the corresponding figure in 2000. This can be traced back in particular to the company's performance during the second half of the year under review, when advertising volume declined sharply. The decrease in circulation vis-à-vis 2000 was also steeper than anticipated: Dagblad De Limburger down 1.1% and Limburgs Dagblad down 3.5% for the whole of 2001.

In 2001, in accordance with the blueprint drafted in 2000, the integration of the two publishers was realised except for the two editorial boards and circulation marketing. Distribution of the company's own regional newspapers was combined with that of daily newspaper De Telegraaf and Het Financieele Dagblad, after which operational responsibility was transferred to DistriQ at the end of 2001. In consultation with the editorial council and following adjustment of the editorial statute, the position of editor-in-chief/director was introduced at both newspapers, which has made the editor-in-chief co-responsible for (the result of) circulation marketing.



Inter **nationalising**

World-famous in the Netherlands. And deservedly. But not across the border. This will change. Curiosity, special interests, emotions are international. We can and want to do something with that in other countries. Based on concepts that have proven their worth in our country. Taking small steps at a time, first within close range and without major risks. But always with a clear objective in mind.

Renewal within the framework of the group was initiated with the set-up of an in-house Internet business and a publishing core for regional magazines and special productions.

In collaboration with a project developer, construction started on a new head office in Sittard, which will subsequently be leased. The office buildings in Heerlen, Maastricht and Venlo are sold. All central activities of Media Groep Limburg (MGL), except for the printing businesses in Heerlen and Maastricht, are expected to be concentrated in Sittard from 1 July 2002 on.

In line with the decision of the NMa, Limburger Weekbladpers was sold, to Aache-ner Verlagsgesellschaft GmbH.



On 1 January 2001, a combined advertisement supply was launched for both newspapers (Limburgse Dagbladen Combinatie) and the integration of the sales organisations was realised, including responsibility for the total prepress route. The intended synergy effects in respect of the turnover of this combination have thus been realised, a development from which Limburgs Dagblad, in particular, has benefited.

Notwithstanding the investments in newspaper quality and the integration of both publishers (except for the editorial boards and the circulation departments), the result continued to decrease. This is due to cyclical as well as structural factors. To safeguard the continuity of Limburgs Dagblad, it is essential that both newspaper companies enter into even closer collaboration, also on the editorial front.

MGL currently has two rotogravure printing businesses left, one in Heerlen and one in Maastricht. All printing activities will as soon as possible be combined at the Heer-

len location and the Maastricht location will be closed down. The printing contracts with Nikkei and Asahi were extended in the course of the year.

i-Media Limburg

The establishment of in-house Internet business i-Media Limburg (iML) went according to plan, as did collaboration in this area with Noordelijke Dagblad Combinatie B.V., Hollandse Dagbladcombinatie and Holdingmaatschappij De Telegraaf in Regio I beheer. Initial costs remained within the limits set. This has laid the groundwork for further expansion of the Internet activities in Limburg. By developing

combinations with print in the areas of product development and marketing, joint market positions and resulting revenues stand to increase.

DOOR-TO-DOOR PAPERS

Hollandse Huis-aan-huisbladen Combinatie

2001 showed to be a dichotomic year for Hollandse Huis-aan-huisbladen Combinatie (HHC), which combines Noorderpers (Alkmaar), Uitgeverij De Echo (Amsterdam), Uitgeverij Van Groenigen (Nieuw-Vennep) and Reclame 't Gooi (Hilversum). During the first six months of 2001, advertising turnover stayed at the same level as that recorded in the previous year, then fell below the 2000 level as a result of the cyclical downturn.

The downward trend was particularly evident in staff, car and kitchen advertising in the midweek editions. Advertising turnover of the Sunday papers stabilised. HHC will further optimise these papers and position them more clearly in the market.

The added value of the publications came under strong pressure as a result of the rise in newsprint prices in 2001, causing HHC's result to lag behind the 2000 result.

HHC's central sales organisation for major regionally and nationally operating customers is De Holland Combinatie. In the first-term report prepared by media magazine 'Adformatie', De Holland Combinatie was again elected most valued sales organisation. The turnover generated by De Holland Combinatie increased.

Uitgeversmaatschappij De Trompetter

At year-end 2000, in accordance with the decision pronounced by the NMa, the shares in Uitgeversmaatschappij De Trompetter were transferred from Media Groep Limburg to Holdingmaatschappij De Telegraaf.

The result of De Trompetter came under heavy pressure following the requirements stipulated by NMa and partly also as a result of the unbundling of a number of activities

'Tennis' magazine (published in collaboration with the Royal Netherlands Lawn Tennis Association, KNLTB), TTG was able to focus more clearly and intensively on its core activities: the publication of magazines and the operation of the brands concerned in the entertainment, men's and luxury magazines segment.

The synergy existing in the areas of editorial activities, marketing and the sale of advertising was increasingly manifested.

On 12 September 2001, the new glossy women's magazine Starstyle was introduced. Even though the introduction of this new magazine happened to coincide with the attacks in the United States, Starstyle got off to a very successful start. Targeting young women, this monthly magazine achieved an average paid circulation of over 56,000 copies, surpassing all expectations. Starstyle is a TTG-devel-



of Media Groep Limburg. Production, distribution and overhead costs skyrocketed, a development exacerbated by the slump in the advertising market.

MAGAZINES

De Telegraaf Tijdschriften Groep

The result of De Telegraaf Tijdschriften Groep (TTG) for 2001 improved significantly compared to the 2000 figure.

TTG Nederland

On 1 January 2001, the activities of De Telegraaf Sponsored Media were fully disposed of through a management buy-out.

Owing to organisational changes in 2000, the disposal of its sponsored media activities and the termination of

oped title which gives young women every kind of information about entertainment, stars, fashion and life style.

Privé continues to be the undisputed market leader among gossip magazines and was able to realise a marked improvement in both turnover and result. The market segment for gossip magazines appears to have stabilised in 2001. Privé was able to capitalise on the favourable market conditions for royalty news.

Not only the weekly Privé magazine, but also the unique engagement special published at the beginning of 2001, made optimal use of the reporting on the engagement of the Dutch crown prince. In addition, the editorial formula was further enhanced. Targeted market research has enabled TTG to develop the Privé brand further and has laid the groundwork for further brand exploitation.

ANNUAL REPORT

OOR's results came under pressure in 2001 due to the weak advertising market; stagnancy in the music industry was reflected in OOR's performance. Talks are underway with Nederlandse Tijdschriften Groep concerning the sale of this magazine which, in combination with various other music magazines, can realise the necessary synergy.

Hitkrant had an extremely good year, in terms of both readership and advertisers: turnover and result registered brisk growth. The success of stars such as K-otic spurred growth. Advertisers for cell phone ringtones and logos boosted advertising income.

Autovisie maintained its position as opinion leader among automotive magazines. The initial slump in car sales in the Netherlands made for a hesitant start of advertising space utilisation, which, however, recovered in the second half of the year.

Autovisie has a highly frequented website and the

digital newsletter is sent to readers (at their request) whenever there is 'breaking car news'. The Autovisie website also enjoys great popularity among advertisers.

In 2001, FHM achieved further growth in its readership. With an average paid circulation of over 44,000 copies, FHM is the undisputed market leader in the glossy segment for men, in which competitor ZSM (of Sanoma, formerly VNU) terminated its activities in early 2001. FHM is published under a licence agreement with Emap, a British firm. Collaboration with the other international editions of FHM is producing good results both editorially and in terms of advertising; still, the magazine has failed so far to reach the break-even point. At the beginning of 2001, Voetbal Magazine underwent a radical transformation. This magazine has now become a mature glossy magazine, with single-copy sales taking off at a spectacular rate. Unfortunately, due to the



disappointing performance of Dutch football, advertisers currently appear to be less inclined to use the sports segment. Residence has retained its position as one of the Netherlands' most exclusive magazines. Besides the stable readership, it was especially advertisements for very exclusive homes that boosted the result.

In 2001, TTG's Internet activities were efficiently extended. Existing sites were further enhanced, resulting in a growing number of visitors. New websites are those of Voetbal Magazine and Starstyle. Advertising possibilities on the TTG websites were expanded, resulting in growing revenue in a slightly contracting market.

TTG Sweden

In February, the Swedish edition of Cosmopolitan was

introduced through a joint venture (TTG CosmoMag AB) with American publisher Hearst. TTG Sweden was awarded the 2001 Marke-

ting Prize by the Swedish magazine sector for the introduction campaign of Cosmopolitan. Cosmopolitan was immediately a great success among both readers and advertisers. However, due to the bad slump in the Swedish economy, advertising income came unexpectedly under pressure during the second half of the year.

Following its highly successful introduction in 2000, Residence went on growing and currently has an average paid circulation of over 33,000, making it market leader in the segment of luxury home magazines in Sweden. In 2002, the publication frequency will be increased from six to seven issues a year. The enthusiastic reception of Residence by Swedish and international advertisers spurred growth in advertising income.

Boating magazines Vi Båtägare and Båtnytt and Golf Digest, which are published under licence, experienced a

slight decline in their readership and were affected by the weakening Swedish advertising market; Golf Digest, in particular, was hard-hit as a result of its relatively strong dependence on advertisements from the United States.

DataWire

A wholly-owned subsidiary of Holdingmaatschappij De Telegraaf, DataWire is focussing, amongst other things, on the processing, distribution and sale of data and content originating from editorial boards and various other sources.

To realise this, the organisation and infrastructure of the Centraal Archief Telegraaf (CAT) have been transferred to DataWire. This has given CAT a dual function. On the one hand it serves as central archives for all editorial boards, while, on the other, it is a source for DataWire in respect of the above-mentioned production and operation of syndication-related products and services.

DataWire will also focus on the provision of new services. Topical items and other news about, for instance, finance, sports and entertainment, can be called up through SMS and (in the not too distant future) the mobile Internet i-Mode.

DataWire's spearhead activity is to collect and structure a variety of sports results and cinema listings. Data include sports results of a very large number of competitions, particularly in amateur sports. These scores are sold to, inter alia, daily newspapers, cable TV information services and teletext.

DISTRIBUTION ACTIVITIES

DistriQ

In 2001, the logistic activities of the newspaper publishers were combined in a new company called DistriQ. This division employs a total work force of 378 man/women (FTEs). A sum of € 4.5 million was spent on the establishment and set-up of this operation, including the costs involved in setting up and fitting out the staff region structure and core projects for operational and supporting processes.

During the past year much attention was focussed on reaching agreement with the works council and the unions about the hiving-off and subsequent combination of the distribution activities. Furthermore, a uniform remuneration system for deliverers was developed and a large number of automation projects were completed.

As a consequence of the tight labour market and increased regulations, it has become more and more difficult to recruit and retain deliverers despite the increase in delivery wages. In 2001, costs rose by about 15%, while a similar rise is expected for 2002. It has been decided, therefore, to participate in a study conducted by Vereniging De Nederlandse Dagbladpers targeting joint delivery of the daily newspapers of De Telegraaf, PCM, Wegener and NDC. The results of the study will eventually co-determine the strategic course taken by DistriQ.

In the autumn of 2002, a one-year pilot project will be run in two CEBUCO areas (in and around the cities of Utrecht and Amersfoort) after which the publishers involved will make a decision on a possible nation-wide roll-out.

In the coming year, the uniform remuneration system for deliverers will be introduced. The distribution network will be further optimised and the quality of the internal organisation and the IT infrastructure will be enhanced.

PRINTING ACTIVITIES

Biegelaar Groep

The printing operations are concentrated in the Biegelaar Groep, which, in 2001, realised a turnover of approximately € 111 million, € 28 million of which related to intra-company orders. Notwithstanding the 4% rise in turnover, the operating profit fell by € 3.4 million as a result of the cyclical downturn, the rise in newsprint prices and higher depreciation and interest charges following the commissioning of the new rotogravure press at Biegelaar en Jansen.

In view of the disappointing results, a plan was made in the course of 2001 to cut the work force by more than 40 FTEs. Agreement about this has since been reached with the unions and a provision of € 3.2 million was formed and charged to the result.

During the year under review, ahead of the plans, the work force had already been reduced by 28 FTEs to 492 FTEs as at year-end 2001.

In the second half of 2001, talks were started with Brouwer Groep concerning the possibility of a merger. Agreement has since been reached about a legal merger, with Biegelaar Groep to be incorporated into Brouwer Groep with retroactive force from 1 January 2002. Holdingmaatschappij De Telegraaf will retain an interest of approximately 43% in the new combination and will extend a subordinated loan of € 30.0 million.

The aim of this new combination is to occupy a strong runner-up position in the Dutch market and to improve the result, amongst other things by integrating the printing businesses of the Nederlands Drukkerij Bedrijf in Zoeterwoude, the printing business of Brouwer Groep in Delft and a few sheet offset printers. The NMa has also granted approval.

PARTICIPATING INTERESTS

Regio I beheer

In the second half of 2000, a study was performed into possible collaboration in the area of the Internet between the regional newspapers of the Telegraaf company (Hollandse Dagbladcombinatie (HDC), Media Groep Limburg (MGL) and the newspapers belonging to Noordelijke Dagblad Combinatie (NDC). This study resulted in the actual launch of Regio I beheer B.V. in 2001.

Parallel to the establishment of Regio I beheer, the Internet activities at HDC, MGL and NDC were more strongly embedded in the organisation. Including the interests of HDC and MGL, the Telegraaf company holds a 75% interest in Regio I beheer.

During the first year of Regio I beheer, much energy was spent on the development of a central Content Management System (CMS) serving all associated regional daily newspapers. The great advantage of a central CMS is that newspaper articles can be put on to the Internet without difficulty and that in a relatively simple manner new functionalities and sites from the central CMS can be developed.

Besides a job vacancy site, the Regio I titles also developed a automotive site of their own in 2001. As well as editorial information, this automotive site also features the (regional) supply of occasions, cars and, car accessory suppliers and other service providers in the automotive industry. In December, this site was introduced in the province of Friesland.

Media Groep West

Media Groep West (MGW) is a 90% holding of Holdingmaatschappij De Telegraaf; the remaining 10% interest is held by UPC Nederland. Four enterprises (NieuwsNet 9,

SBS 6/Net 5 Text, V8/Fox Kids Text and Mobillion) are active within this holding.

NieuwsNet 9

Operation of the cable TV information service in the Greater Amsterdam and 't Gooi areas has been transferred to NieuwsNet 9. The activities were loss-making in 2001.

This result is partly due to the uncertainty over the continuity of this station following a negative advice of Stichting Algemene Programmaraad, which advised NieuwsNet 9 to be removed from the basic programming package.

The station is now back in the package and NieuwsNet 9 had extended its broadcasting range to include Almere in 2002.

The broadcasting format has also been changed to reflect modern requirements, involving, amongst other things, moving pictures (full-motion). Furthermore, local and regional news can also be viewed on the station's own teletext pages and Internet site.

SBS 6/Net 5 Text

This general partnership prepares the teletext pages of SBS 6 and Net 5. This year, as in 2000, the activities made a major contribution to MGW's result. The targeted growth of SBS 6 was achieved, while that of Net 5 fell slightly short of the mark. The commercial development of Beur-sNet 5 stagnated due to the unfavourable stock market climate.

In 2002, growth in this MGW division will mainly be generated by multimedial projects in collaboration with third parties. The combination of teletext, the Internet and print constitutes the foundation of this strategy.

V8/Fox Kids Text

Collaboration between V8 and Fox Kids was effected on 1 June 2001. The teletext pages for this general partnership will also be outsourced. In view of the young target

group, collaboration is expected to make a positive contribution to the differentiation of the range of services of MGW. It is contributing, albeit modestly, to the operating profit.

Mobillion

Mobillion is owned by MGW (70%) and the management (30%). Mobillion, a content provider/content organiser, engages in the development, production and operation of value-added services for users of mobile telephone networks. The focus is exclusively on the consumer market, with Mobillion producing communication, entertainment and information services for this target group. In the Netherlands, this company is a market leader in the area of value-added SMS (Short Message Services) communication services. To operate these services, it has since concluded agreements with virtually all mobile operators.

In the Netherlands, it has been able to benefit fully from the strong demand for special ringtones and logos for cell phones. Mobillion is one of the few providers in the European market producing ringtones and logos for virtually all types of cell phones itself.

Mobillion was Europe's first fully operational supplier of ringtones for the new i-mode service of KPN Mobile and the Japanese company NTT Docomo.

Activities abroad

Mobillion's business operations in the United Kingdom had little success in 2001. As a result, the English organisation was cut to a minimal size in the third quarter of the year as attention will exclusively be focussed on the selling of licences of successful Dutch services provided to English service providers and media companies.

A similar strategy will be pursued by the German subsidiary established in 2001.

Algemeen Nederlands Persbureau ANP

Holdingmaatschappij De Telegraaf has been shareholder of Algemeen Nederlands Persbureau ANP in The Hague since mid-2001. Holdingmaatschappij De Telegraaf holds a minority interest of 28.4% in the enterprise, as do Wegener and PCM Uitgevers. ANP used to be a foundation in which all Dutch newspaper publishers were represented.

Wegener

As at 31 December 2001, the interest in Wegener consisted of 9,110,690 depositary receipts for ordinary shares of € 0.30 par value (an interest of 20.5%) and 2,593,030 depositary receipts for 6.84% cumulative preference shares of € 0.30 par value (an interest of 32.1%). The 2000 cash dividend received on ordinary shares in 2001 and the pro rata share in the preference dividend for 2001 are shown under 'income from participating interests'.

SBS Broadcasting

In 2001, SBS Broadcasting achieved a net result of € 1.86 million as compared to € 13.25 million in 2000. Our 30% share in the result of this company, totalling € 0.56 million, is shown under income from participating interests. The fall in profit is attributable to the weakening advertising market in the second half of 2001. Furthermore, the result was negatively impacted by the reprofiling of Fox 8 (now V8). This acquisition is set up for the target group of men aged 15 to 35. The initial losses involved were consolidated, as was the loss sustained by production company Cameo.

In determining the result, no account has been taken of company tax in view of the company's tax-loss carry forwards eligible for set-off. No dividend will be distributed for 2001.

The share of SBS 6 in this market rose from 21.3% in 2000 to 26.8% in 2001, mainly at the expense of Hol-

land Media Groep. The aggregate average market share (target group men/women aged 20-49) of SBS 6 and Net 5 rose from 17.7% in 2000 to 18.9% in 2001. Furthermore, V8 realised an average market share of 3.2%.

Noordzee FM

On 7 September 2001, SBS Radio B.V. was established as a joint venture between SBS Nederland (70%) and Holdingmaatschappij De Telegraaf (30%). The new company's goal is to further develop joint commercial radio activities. The 50% interest in Publicmusic (Noordzee FM) has been transferred to SBS Radio.

Results are surpassing expectations. Although the market share in the target group of 10+ lagged behind expectations (4.7% vs. 6.0%), the share in advertising spending grew by 1%. The broadcasting licence has been extended until September 2003 pending final political decision-making on the distribution of frequencies.

PROSPECTS

The year 2002 will be dominated by improvement in results through further optimisation.

In addition, new products will be launched, in particular by capitalising on the company's strong brand names, and there will be a drive towards broadening mobile services.

The initial effects of the company's optimisation campaign, including the various reorganisations, will show up in the results from the second half of 2002 on. The previously announced merger between Biegelaar Groep and Brouwer Groep will result in a higher contribution to 2002 income. The losses incurred by the Internet activities will be reduced still further, both by tapping into new sources of revenue and by taking further cost-reducing measures coupled with the integration of off-line and on-line activities. The distribution network will be further optimised within DistriQ, the logistic organisation established in 2001, while a study will be carried out at Hollandse Dagbladcombinatie into the possibility of further integration of the regional newspaper publishers.

Finally, from the second quarter of 2002 on, significantly lower newsprint prices will contribute to the recovery of the result. An uncertain influence remains the development of the advertising market. Advertising income for the first two periods of 2002 is considerably lower than the corresponding figure in 2001.

In view of the measures taken so far and the expected cyclical trend, the net profit is expected to be well in excess of the 'normal' profit (excluding non-recurring expenses) of € 16.5 million realised in 2001. Still, net profit for the first half of 2002 will be even considerably lower than the corresponding figure recorded in 2001.

Managing Board

F.Th.J. Arp

W.O. Kok

J. Olde Kalter

A.J. Swartjes

Amsterdam, 21 March 2002

ANNUAL ACCOUNTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

<i>(in thousands of euros)</i>	2001		2000	
Turnover		820,219		811,509
Changes in work-in-progress		2,001	-	362
Net turnover		822,220		811,147
Raw and auxiliary materials	155,154		135,767	
Wages and salaries	229,865		227,490	
Social security charges	44,399		48,482	
Depreciation of tangible fixed assets	48,945		42,595	
Other operating costs	294,684		255,449	
Total operating expenditure		773,047		709,783
Operating profit before depreciation of goodwill and other value adjustments of goodwill		49,173		101,364
Depreciation of goodwill	12,484		20,995	
Other value adjustments of goodwill	27,227		—	
		39,711		20,995
Operating profit after depreciation of goodwill and other value adjustments of goodwill		9,462		80,369
Income from participating interest	-	4,852	-	2,969
Interest income		3,620		3,818
Income from securities		384		869
Changes in value of securities		—		16
Interest charges	-	3,026	-	2,652
Balance of financial revenues and charges		- 3,874		- 918
Pre-tax result from ordinary trading		5,588		79,451
Tax on the result of ordinary trading		17,031		30,907
After-tax result from ordinary trading		- 11,443		48,544
Extraordinary items before tax	-	28,180	-	92
Tax on extraordinary result		10,113		—
Extraordinary items after tax		- 18,067		- 92
Result after tax		- 29,510		48,452
Result appropriation:				
Other reserves	-	29,510		28,441
Dividend		p.m.		20,011
		- 29,510		48,452
Loss per share/profit per share		- € 0.56		€ 0.92



Optimising

Doing the **good things** we're doing even better. Controlling costs. Doing more with fewer people. The right man/woman in the right place. Becoming mobile and restructuring. Taking account of everyone's interests. Setting up and combining processes in a sophisticated manner, thus enabling the company to maximise existing economies of scale.

PRINCIPLES OF CONSOLIDATION, VALUATION AND DETERMINATION OF THE RESULT

1. Consolidation criteria

The consolidated accounts combine the financial data for the parent company N.V. Holdingmaatschappij De Telegraaf and its group companies.

Consolidation is effected in accordance with the principles of valuation and determination of the result of the parent company. The financial data of the group companies are fully included in the consolidated annual accounts after elimination of intercompany relations and transactions.

Minority interests in shareholders' equity and in the result of group companies are shown separately in the consolidated annual accounts. The results of newly acquired group companies are included in the consolidation from the date of acquisition. The results of participating interests disposed of by the company are included in the consolidation up to the disposal date.

In respect of the company profit and loss account of N.V. Holdingmaatschappij De Telegraaf use has been made of the exemption provided for in section 402, Book 2, of the Dutch Civil Code.

2. Translation of foreign currencies

The participating interest in Sweden is considered an independent foreign entity. The assets and liabilities of this interest are translated at the price prevailing on the balance sheet date, while results are translated at the average price at the time of the transactions; the resulting difference is taken directly to shareholders' equity.

3. Valuation

Intangible fixed assets

Goodwill, being the amount paid in excess of the value and arising on the acquisition of participating interests, business activities and publishing rights is amortised against the result over a maximum period of twenty years. The value at the time of acquisition is determined on the basis of the real value of the acquired (underlying) assets and liabilities.

Tangible fixed assets

These assets are valued at cost less straight-line depreciation, based on the economic life expectancy. These rates are:

- 4 to 5% a year on business premises depending on their nature or purpose.
- 10 to 20% a year on plant and machinery.
- 20% a year on all other operational fixed assets.
- operational fixed assets subject to rapid technical and/or economic obsolescence are written off over a period of three years.
- ground rent bought off is written off over the ground lease term in question.
- land is not subject to depreciation.

Fixed assets under construction are valued at the amounts contracted for construction projects, plant and machinery.

Financial fixed assets

Participating interests on which N.V. Holdingmaatschappij De Telegraaf is able to exert significant influence are valued at their proportion of the net value asset, calculated in accordance with the parent company's accounting principles.

The other participating interests are stated at the lower of cost and market value.

Long-term receivables are stated at their nominal value less any provisions deemed necessary.

Inventories

Inventories of paper, where it concerns quantities that were also in stock in previous years, are valued at the lower of cost price prevailing during those years and market price as at the balance sheet date, and where it concerns the surplus, at the lower of cost price and market price.

The other inventories are valued at the lower of purchase price and market value. A provision is being set up for unsaleable stocks.

The item work-in-progress relates to printed matter in production, valued at predetermined cost. This includes labour costs, material consumption, machinery costs, plus a surcharge for indirect costs.

Receivables

Receivables are shown at nominal amounts less provisions for bad debts where necessary.

Securities

Securities are shown at the lower of cost and market price as at the balance sheet date.

Liquid assets

These are stated at nominal amounts.

Current and long-term liabilities

The current and long-term liabilities are stated at nominal amounts.

Provisions

The provision for deferred taxation relates to the deferred tax liability arising from the difference between the valuation of assets and liabilities for commercial and tax purposes. Any deferred tax receivables are set off against deferred tax commitments.

Calculation of this liability, which is shown at nominal value, is based on the current company tax rate.

The provision for early retirement is stated at the cash value of the commitment to supplement amounts in excess of the early retirement benefit limit. The commitment to supplement covers a period of three to five years up to the age of 65. The provision is determined on an actuarial basis of 5%.

The provision for supplementary retirement benefits consists of the cash value of the retirement benefits allowed and the pension contributions of employees who have been sick over a long period, plus the cash value of the share of the health insurance of pensioners payable by the company. The provision is determined on an actuarial basis of 4% (employees sick over a long period) or 5% (pensioners), respectively.

The provision for supplementary disability benefits comprises the allowance payable on top of the salary of employees whose employment is terminated in connection with the granting of a disability allowance under the Invalidity Insurance Act. The provision is determined on an actuarial basis of 5%.

The provision for reorganisations concerns employment-finding, redundancy compensation as well as retraining and additional training at the Amsterdam businesses, the Biegelaar Groep B.V. and Media Groep Limburg B.V.

4. Determination of the result

The turnover is the proceeds charged to third parties and arising from services provided to third parties during the financial year after allowing for VAT and discounts.

Profits are taken only insofar as they are realised as at the balance sheet date.

Costs and risks incurred before the end of the financial year are taken into account insofar as they can be anticipated.

In determining the result, account is taken of any special decline in value of fixed assets. This occurs if the realisable value of fixed assets is lower than the book value of the asset in question. Special losses relating to a decline in value are taken direct to the result. Thus adjusted, the book value of the fixed assets in question is written down over its remaining life.

The share in the result for the financial year is shown under 'income from participating interests' where it concerns participating interests on which the company is able to exert significant influence. In respect of the other participating interests, dividend received is also shown under income from participating interests; if any dividend is receivable on preference shares, this shall be attributed to the year in which the right to such dividend arose, unless receipt is uncertain.

Company tax is calculated on the result, taking into account tax allowances, including the substantial holding exemption, and allowing for amounts that are not tax-deductible. The difference with the amount in tax payable according to the profit calculation for tax purposes is shown in the provision for deferred taxation.

Extraordinary income and expenditure are generated by actions and events that are not associated with the company's normal business operations and that, as a result, bear a non-recurrent character.

5. Consolidated cash flow statement

The cash flow statement is prepared in accordance with the indirect method. The liquid funds in the cash flow statement consist of liquid assets and securities.

The securities may be regarded as highly liquid investments. Cash flows in foreign currencies are translated at an estimated average exchange rate.

Income and expenditure relating to interest, dividends received and income tax are stated under cash flow from operational activities. Paid dividends are shown under cash flow from financing activities. The acquisition price of group companies is shown under cash flow investment activities insofar as payment has been made in cash. The liquid funds held by newly acquired group companies are deducted from the acquisition price.

6. Segmented information

Segmented information is stated on the basis of the same accounting policies as those underlying the statement and presentation of the consolidated annual accounts. Assets used jointly by two or more segments are only being attributed to the segments if the income and expenditure relating to these assets are likewise being attributed to these segments. The corporate segments are used as primary segmentation basis.

7. Earnings per share

Earnings per share are being determined by dividing the portion of the result for the financial year available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year.

ANNUAL ACCOUNTS

NOTES TO THE CONSOLIDATED BALANCE SHEET

<i>(in thousands of euros, unless otherwise stated).</i>	31 December 2001	31 December 2000
FIXED ASSETS		
<i>Intangible fixed assets</i>		
Goodwill	146,612	185,766
Position at beginning financial year	185,766	54,367
Add: - Goodwill paid on acquisition or expansion of participating interests	557	152,394
Less: - Depreciation	- 12,484	- 20,995
- Downward value adjustment	- 27,227	—.—
Position at end financial year	146,612	185,766
Total of depreciation and downward value adjustments	118,246	78,535

The downward value adjustments of goodwill relates to Dagblad De Gooi- en Eemlander. The results and expected performance of this newspaper are falling short of the forecasts made at the time of the acquisition. The residual value of the goodwill of Dagblad De Gooi- en Eemlander reflects the expected future results.

Financial year 2001	Purchase cost up to 2001	Depreciation up to 2001	Book value up to 2001
<i>Tangible fixed assets</i>			
Land and buildings ¹⁾	317,003	165,198	151,805
Plant and machinery	363,813	259,361	104,452
Other fixed assets	150,589	117,120	33,469
Fixed assets under construction	60,563	—.—	60,563
	891,968	541,679	350,289

Financial year 2000	Purchase cost up to 2000	Depreciation up to 2000	Book value up to 2000
<i>Tangible fixed assets</i>			
Land and buildings 1)	295,151	149,846	145,305
Plant and machinery	340,413	263,987	76,426
Other fixed assets	110,492	83,056	27,436
Fixed assets under construction	94,274	—.—	94,274
	840,330	496,889	343,441

1) These items include the ground rent bought off in respect of the business sites of the group companies in Amsterdam. As at 31 December 2001 the book value of this amounts to: € 4,725,000 (previous year: € 4,840,000).

ANNUAL ACCOUNTS

Changes in tangible fixed assets:	Land and buildings	Plant and machinery	Other fixed assets	Fixed assets under construction	Total
Book value 1-1-2001	145,305	76,426	27,436	94,274	343,441
Acquisitions	—.—	—.—	83	—.—	83
Investment	8,500	128	25,465	27,150	61,243
Divestment	- 178	- 342	- 4,649	—.—	- 5,169
Depreciation	- 14,291	- 17,473	- 17,545	—.—	- 49,309
Assets under construction put into operation	12,469	45,713	2,679	- 60,861	—.—
Book value 31-12-2001	151,805	104,452	33,469	60,563	350,289

Buildings are insured on the basis of reinstatement value, the other assets on the basis of the cost of new construction. The amount covered by insurance is € 821 million (previous year: € 778 million). The item fixed assets under construction relates to buildings and/or plant and machinery: B.V. Rotatiedrukkerij Voorburgwal, Hollandse Dagbladcombinatie B.V., Biegelbaar Groep B.V., B.V. Dagblad De Telegraaf, Hollandse Huis-aan-huisbladen Combinatie B.V. en Media Groep Limburg B.V.

	31 December 2001	31 December 2000
FINANCIAL FIXED ASSETS		
Non-consolidated participating interests		
Wegener N.V., Apeldoorn (20,5%)	72,607	72,607
C.V. Regionale Uitgevers Zuid-Holland West, Berkel en Rodenrijs (17%)	4	5
SBS Broadcasting B.V., Amsterdam (30%)	12,710	12,183
TV Krant Nederland, Den Helder (9,6%)	11	11
SBS Radio B.V., Amsterdam (30%)	1,603	—.—
B.V. Algemeen Nederlands Persbureau ANP, The Hague(28,4%)	1,301	—.—
De Nationale Regiopers, Almere (19,6%)	156	130
V.o.f. SBS 6 Text (45%) / Fox, Amsterdam (45%)	1,903	—.—
Autobytel Nederland v.o.f., Almere (37,5%)	—.—	492
NWI Services B.V., De Bilt (20%) / Interactive Real Estate B.V., Hilversum (50%)	9	3
Amse B.V., Arnhem (8.67%)/Zoomnet B.V., Zaltbommel (50%)	787	2,271
Exploitiemaatschappij Nr 1 B.V., Buchten (Born) (40%)	116	59
Omroepbedrijf Limburg B.V., Maastricht (45%)	26	26
Televisiebedrijf Limburg B.V., Maastricht (45%)	636	636
TTG CosmoMag AB, Zweden (50%)	5	—.—
	91,874	88,423
As at 31 December 2001, the market value of the Package of Wegener N.V. shares amounted to Approximately € 89.7 million (share price € 7.85)		
Receivable from participating interest	4,868	300
Other long-term receivables	601	1,596
Total financial fixed assets	97,343	90,319

ANNUAL ACCOUNTS

Movements in financial fixed assets:	Other participating interests	Receivables from participating interests	Other receivables	Total
Book value 1 January 2001	88,423	300	1,596	90,319
Add: – Investments	12,512	4,868	—	17,380
Less: – Share in result	– 8,851	–	–	– 8,851
– Distribution /repayment	– 210	– 300	– 995	– 1,505
Book value 31 December 2001	91,874	4,868	601	97,343

	31 December 2001	31 December 2000
CURRENT ASSETS		
Inventories		
Raw materials	11,880	9,750
Auxiliary materials	1,318	1,450
Work in progress	4,091	2,089
	17,289	13,289
The purchase cost of the stock of raw materials amount to € 13.8 million (previous year: € 10.6 million).		
Accounts receivable		
Trade receivables	96,254	103,112
Other receivables	1,786	1,346
Accrued income	22,320	11,145
	120,360	115,603
Securities		
Government bonds	4,673	14,140
Liquid assets		
Cash and bank balances	29,997	48,471
Short-term deposits	—	1,087
	29,997	49,558
Liquid assets are freely available.		

ANNUAL ACCOUNTS

	31 December 2001		31 December 2000	
CURRENT LIABILITIES				
Prepaid subscriptions		35,358		40,128
Suppliers		49,020		67,988
Taxes and social insurance premiums		9,798		20,156
Company tax		627		6,884
Pension liabilities		2,694		2,268
Dividend		5,775		20,011
Other liabilities 1)		8,968		996
Minority interest		75		155
Accruals and deferred income		125,876		116,173
		238,191		274,759

	31 December 2001		31 December 2000	
LONG-TERM LIABILITIES				
This is a loan of € 118,000 repayable in full in 2006, and a loan of € 45,400 repayable in full in 2008 (7% interest), plus any locked-up staff deposits at Media Groep Limburg in connection with the salary savings scheme.		2,542		3,163

	Position at 1-1-2001	Allocations	Withdrawals	Position at 31-12-2001
PROVISIONS				
Deferred taxation	7,992	2,775	- 5,908	4,859
Early retirement	15,306	2,172	- 1,511	15,967
Pension allowance supplements	6,201	955	- 779	6,377
Disability benefit supplements	4,638	518	- 236	4,920
Reorganisation provisions	—.—	28,946	—.—	28,946
	34,137	35,366	- 8,434	61,069

Short-term commitments amount to approximately € 11.8 million (previous year: € 2.7 million).

SHAREHOLDERS' EQUITY

For the notes to shareholders' equity, please refer to balance sheet of N.V. Holdingmaatschappij De Telegraaf.

1) This amount includes a liability to shareholders of € 6,807,000.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

<i>(In thousands of euros, unless otherwise stated).</i>	2001	2000
Net turnover		
1. Breakdown of the net turnover by business segments:		
Publishers	733,102	729,662
Printing products (not newspapers-related)	83,729	77,772
Other activities	5,389	3,713
	822,220	811,147
2. Breakdown of the net turnover by geographical area:		
The Netherlands	799,578	787,101
Other EU states	21,355	20,988
Other European states	1,287	3,058
	822,220	811,147
Raw and auxiliary materials		
Paper and ink	148,810	129,448
Auxiliary materials	6,344	6,319
	155,154	135,767
Wages and salaries	229,865	227,490
In 2001 and 2000, the average work force totalled 6,012 and 5,785 respectively. Breakdown of the work force by operating company as at year-end:		
Amsterdam businesses	2,366	2,336
Hollandse Dagbladcombinatie B.V., Haarlem	1,457	1,457
Hollandse Huis-aan-huisbladen Combinatie B.V., Amsterdam	547	560
Media Groep Limburg B.V., Heerlen	761	908
Biegelaar Groep B.V., Maarssen	510	534
De Telegraaf België, Brussels	10	7
Media Groep West B.V., Amsterdam	38	27
TTG Sverige AB, Stockholm	24	25
Uitgeversmaatschappij De Trompetter B.V., Roermond	114	94
Spiral B.V., Horst	126	122
	5,953	6,070

In 2001, the remuneration (including pension and early retirement benefits) of the members of the Managing Board included in the wages and salaries amounted to € 3.3 million (previous year: € 2.9 million). Remuneration amounting to € 119,100 (previous year: € 105,500) for Supervisory Board members is also shown under this heading.

As at 31 December 2001, members of the Supervisory Board held a total of 23.376 shares/depositary receipts, members of the Managing Board held a total of 6.126 shares/depositary receipts in N.V. Holdingmaatschappij De Telegraaf.

ANNUAL ACCOUNTS

	2001		2000	
Social insurance contributions				
Pension charges		20,483		19,059
Other social security charges		23,916		29,423
		44,399		48,482
Social insurance contributions of 2001 includes the release of the provision of the differentiation in contributions and market forces act ('Wet PEMBA') of € 5.1 million.				
Depreciation of tangible fixed assets				
Land and buildings		14,291		10,343
Plant and machinery		17,473		19,937
Other fixed assets		17,545		14,144
		49,309		44,424
Result disposed tangible fixed assets		- 364		- 1,829
		48,945		42,595
Note to company taxation				
Result before tax	-	22,592	79,359	
Company tax on this at the prevailing rate (35%)		- 7,907		27,776
Company tax in conformity with the consolidated profit and loss account: ¹⁾ - on the result on ordinary activities		17,031	30,907	
- on the extraordinary result	-	10,113	-	-
		6,918		30,907
Difference in tax burden	-	14,825	-	3,131
This difference is built up as follows:				
- tax allowances		324		293
- non tax-deductible amounts (notably depreciation of goodwill)	-	13,580	-	3,397
- balance of the result falling under the substantial holding exemption	-	1,652	-	27
- release from deferral		83		-
	-	14,825	-	3,131
Extraordinary result before tax				
Extraordinary revenue ²⁾		715		-
Extraordinary expenditure ³⁾	-	28,895	-	92
	-	28,180	-	92

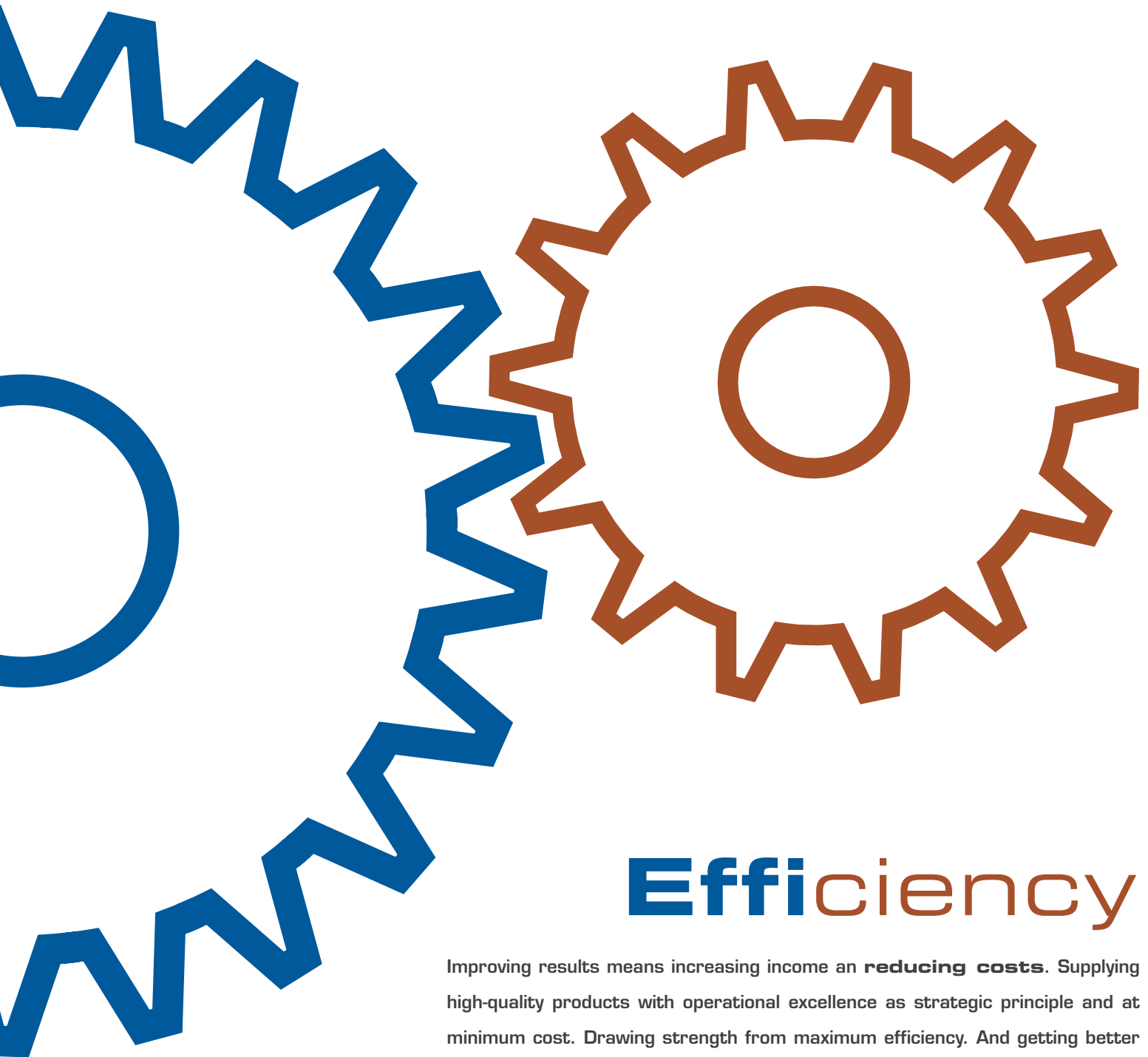
Loss per share/profit per share.

In 2001, the total number of shares averaged 52,500,160 (2000: 52,500,160). Net loss for 2001 amounted € 29,510,000 (2000: net profit € 48,452,000). The loss per share amounts to in 2001 € 0.56 (2000: profit per share € 0.92).

1) Company tax in conformity with the consolidated profit and loss account includes a withdrawal to the provision before deferred taxation of € 3.0 million (2000: allocation of € 1.5 million).

2) Extraordinary benefit includes the third-party minority interest in the result of Media Groep West B.V. and Regio-I C.V.

3) Extraordinary expenditure includes allocation to the reorganisation provisions at the Amsterdam operations, Biegelaar Groep B.V. and Media Groep Limburg B.V.



Efficiency

Improving results means increasing income and **reducing costs**. Supplying high-quality products with operational excellence as strategic principle and at minimum cost. Drawing strength from maximum efficiency. And getting better at this all the time. The grouping of distribution activities into DistriQ B.V. is a case in point. Efficiency can also be achieved in the areas of editorial activities and administrative and automation processes.

ANNUAL ACCOUNTS

CASH FLOW STATEMENT (consolidated)

<i>(In thousands of euros).</i>	2001		2000	
Cash flow from operational activities				
Operating profit	9,462		80,369	
Adjustments for:				
- depreciation	61,793		65,419	
- other downward value adjustment fixed assets	27,227		—	
- changes in short-term receivables	- 4,734		- 462	
- changes in inventories	- 4,000		2,099	
- changes in debts to suppliers and and other current liabilities	- 5,310		15,893	
- changes in provisions	30,065		1,213	
Cash flow from business operations	114,503		164,531	
Dividend received from participating interests	3,999		3,981	
Interest received/paid	978		2,026	
Paid in respect of extraordinary result	- 28,180		- 92	
Tax on profit	- 16,308		- 28,960	
Cash flow from operational activities		74,992		141,486
Cash flow from investment activities				
Investment in intangible fixed assets	- 550		- 150,558	
Acquisition/divestment of group companies and other financial fixed assets	- 15,762		- 57,242	
Capital expenditure	- 61,290		- 71,153	
Changes in investment creditors	- 10,830		- 14,474	
Divestments of tangible fixed assets	5,169		2,348	
Cash flow from investment activities		- 83,376		- 291,079
Cash flow from financing activities				
Dividend paid	- 20,011		- 23,347	
Changes in long-term liabilities	- 622		379	
Cash flow from financing activities		- 20,633		- 22,968
Exchange rate differences		- 11		105
Changes in liquid assets (securities included)		- 29,028		- 172,456

ANNUAL ACCOUNTS

INFORMATION BY BUSINESS SEGMENTS

In 2001, the sale of the Biegelaar Groep B.V. was resolved. In 2002, this decision will be implemented.

In the following information by business segments the Biegelaar Groep B.V. is the segment 'printing products'.

<i>(In thousands of euros).</i>	2001		2000	
Turnover by segments				
Publishers				
Total turnover publishers	733,812		730,165	
Less: - intersegments turnover	710	733,102	503	729,662
Printing products				
Total turnover printing products	111,214		106,469	
Less : - intersegments turnover	27,485	83,729	28,697	77,772
Other activities				
Total turnover other activities	5,389		3,713	
Less : - intersegments turnover	—	5,389	—	3,713
Net turnover		822,220		811,147
Result by segments				
Publishers				
Result publishers before depreciation of goodwill	59,087		107,961	
Less: - depreciation of goodwill and other value adjustments of goodwill	39,317	19,770	20,558	87,403
Printing products				
Result printing products before depreciation of goodwill	1,611		5,218	
Less : - depreciation of goodwill	364	1,247	365	4,853
Other activities				
Result other activities before depreciation of goodwill	- 1,534		- 549	
Less: - depreciation of goodwill	30	- 1,564	72	- 621
Result segments after depreciation of goodwill and other value adjustments of fixed assets		19,453		91,635
Less: - Non-allocated costs		9,991		11,266
Operation profit after depreciation of goodwill and other value adjustments of goodwill		9,462		80,369

ANNUAL ACCOUNTS

	31 December 2001		31 December 2000	
Assets by segments				
Publishers				
Total assets publishers	603,402		643,730	
Less : - intersegments assets	43,830	559,572	43,560	600,170
Printing products				
Total assets printing products	106,674		119,405	
Less :- intersegments assets	—.—	106,674	3,473	115,932
Other activities				
Total assets other activities	5,456		5,376	
Less: -intersegments assets	—.—	5,456	—.—	5,376
Non-allocated		94,861		90,638
Total assets		766,563		812,116
Commitments by segments				
Publishers				
Total commitments publishers	225,226		213,233	
Less: - intersegments commitments	—.—	225,226	3,473	209,760
Printing products				
Total commitments printing products	61,967		71,470	
Less: - intersegments commitments	42,155	19,812	43,054	28,416
Other activities				
Total commitments other activities	4,831		4,156	
Less: - intersegments commitments	1,675	3,156	506	3,650
Non-allocated		53,608		70,233
Total commitments		301,802		312,059

	Investment 2001	Investment 2000	Depreciation 2001	Depreciation 2000
Intangible and tangible fixed assets by segments				
Publishers	54,459	190,988	51,609	55,378
Printing products	6,460	31,984	9,525	7,910
Other activities	881	575	295	302
	61,800	223,547	61,429	63,590

ANNUAL ACCOUNTS

BALANCE SHEET OF N.V. HOLDINGMAATSCHAPPIJ DE TELEGRAAF

<i>(In thousands of euros).</i>	31 December 2001		31 December 2000	
Fixed assets				
Intangible fixed assets				
Goodwill	1,120		1,662	
Tangible fixed assets				
Other fixed assets	266		380	
Financial fixed assets				
Group companies	521,600		550,360	
Other participating interests	16,401		14,454	
Receivable on minority interests	4,868		—	
Deferred receivable tax	2,298		—	
Other receivables	454		454	
	545,621		565,268	
Total fixed assets		547,007		567,310
Current assets				
Receivables				
Tax and premiums social insurance contributions	3,487		—	
Other receivables	726		—	
Accrued income	1,625		1,068	
Liquid assets	54		—	
Total current assets	5,892		1,068	
Current liabilities				
Banking institution	35,326		20,420	
Tax and premiums social insurance contributions	—		1,415	
Dividend	5,775		20,011	
Other liabilities	6,807		—	
Accrued liabilities	6,054		10,599	
	53,962		52,445	
Current assets net of current liabilities		- 48,070		- 51,377
		498,937		515,933

ANNUAL ACCOUNTS

	31 December 2001		31 December 2000	
Provisions				
Deferred taxation	—,—		817	
Early retirement	15,594		15,059	
Other provisions	18,582		—,—	
		34,176		15,876
Shareholders' equity				
Issued capital	13,125		11,912	
Statutory reserves	90		101	
Other reserves	451,546		488,044	
		464,761		500,057
		498,937		515,933

PROFIT AND LOSS ACCOUNT N.V. HOLDINGMAATSCHAPPIJ DE TELEGRAAF

<i>(In thousands of euros).</i>	2001		2000	
Net income from participating intrests	—	11,095		70,486
Other net income and expenditure	—	18,415	—	22,034
Result after tax	—	29,510		48,452

NOTES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

For the general accounting principles and the principles for the valuation of assets and liabilities and the determination of the result, reference is made to the notes to the consolidated balance sheet and profit and loss account. Group companies are shown at their net asset value.

<i>(In thousands of euros, unless otherwise stated).</i>	2001		2000	
FIXED ASSETS				
<i>Intangible fixed assets</i>				
Goodwill				
Book value as at 1 January		1,662		12,320
Depreciation charged to the result		- 542		- 10,658
Book value as at 31 December		1,120		1,662

Financial fixed assets

Group companies with registered offices

This item includes the following group of companies and receivables in respect of these group companies:

B.V. Dagblad De Telegraaf, Amsterdam
 B.V. Rotatiedrukkerij Voorburgwal, Amsterdam
 B.V. Beleggingsmaatschappij Voorburgwal, Amsterdam
 Franken Beleggingsmaatschappij B.V., Deventer
 De Telegraaf Tijdschriften Groep B.V., Amsterdam
 TTG Sverige AB, Stockholm
 DistriQ B.V., Amsterdam
 De Telegraaf Transport B.V., Amsterdam
 B.V. Agentenadministratiekantoor 't Gooi, Hilversum
 Drukkerij Van Groenigen B.V., Haarlemmermeer
 Media Groep West B.V., Amsterdam (90%)
 Mobillion B.V., Amsterdam (63%)
 Uitgeversmaatschappij Hollands Noorderkwartier B.V., Amsterdam
 BasisMedia B.V., Amsterdam
 Biegelaar Groep B.V., Maarssen
 Biegelaar en Jansen B.V., Maarssen
 Drukkerij Van Ketel B.V., Schagen
 Nederlands Drukkerij Bedrijf B.V., Zoeterwoude
 Franken B.V., Deventer
 Hollandse Dagbladcombinatie B.V., Haarlem
 Dagbladuitgeverij Damiate B.V., Haarlem
 Verenigde Noordhollandse Dagbladen B.V., Alkmaar

ANNUAL ACCOUNTS

InterHolland Verspreiders B.V., Alkmaar
 B.V. Drukkerij Noordholland, Hoorn
 Houdstermaatschappij De Gooi- en Eemlander B.V., Hilversum
 Dagblad De Gooi- en Eemlander B.V., Hilversum
 Exploitatiemaatschappij G en E Vastgoed B.V., Hilversum
 Goois Weekblad B.V., Hilversum
 Hollandse Huis-aan-huisbladen Combinatie B.V., Amsterdam
 Uitgeverij Van Groenigen B.V., Haarlemmermeer
 B.V. Uitgeverij De Echo, Amsterdam
 B.V. Reclame 't Gooi, Hilversum
 B.V. Noorderpers, Hoorn
 Media Groep Limburg B.V., Heerlen
 Uitgeversmaatschappij Limburgs Dagblad B.V., Heerlen
 Limburgse Dagbladen Combinatie B.V., Heerlen
 Grafisch Bedrijf Media Groep Limburg B.V., Heerlen
 Uitgeversmaatschappij De Limburger B.V., Heerlen
 Eolus B.V., Heerlen
 Uitgeversmaatschappij De Trompetter B.V., Roermond
 De Kempen Pers B.V., Hapert
 Regio I C.V./Regio I beheer B.V., Almere (75%)

The annual accounts of these group companies are included in the consolidated balance sheet and profit and loss account.

	31 December 2001	31 December 2000
Group companies		
Disclosed equity capital	161,581	188,810
Receivables and liabilities on balance	360,019	361,550
	521,600	550,360
Other participating interests		
This item relates to the minority interest in:		
SBS Broadcasting B.V. (30%), Amsterdam	12,710	12,183
Amse Europe B.V. (8.67%), Arnhem	787	2,271
B.V. Algemeen Nederlands Persbureau ANP (28.4%), The Hague	1,301	—
SBS Radio B.V. (30%), Amsterdam	1,603	—
	16,401	14,454
Other receivables	4,868	—
Deferred tax receivable	2,298	—
Other receivables		
Funds lent	454	454
Total financial fixed assets	545,621	565,268

ANNUAL ACCOUNTS

Movements in financial fixed assets:			
Position at 1 January 2001		565,268	
Add: - Acquisitions	2,103		
- Extended loan to participating interest	4,868		
- Deferred tax receivable	2,298	9,269	
Less: - Net result participating interests	- 11,095		
- The balance of the amount paid and received by the group companies, the receivables and liabilities of which have been included in N.V. Holdingmaatschappij De Telegraaf, excluding settlement of results	- 17,821	- 28,916	
Position at 31 December 2001		545,621	

	31 December 2001	31 December 2000
Deferred taxation		
Deferred taxation:		
This item consists of deferred company tax in respect of:		
Provisions	62	1,257
Fixed assets	3,776	- 128
Inventories	- 1,540	- 1,946
	2,298	- 817 ¹

1) Included in deferred taxation provision.

ANNUAL ACCOUNTS

	31 December 2001		31 December 2000	
SHAREHOLDERS' EQUITY				
Issued capital				
The authorised capital amounts to € 50,000,000 divided into shares of € 0.25 par value.				
Statutory reserves:				
Ordinary shares (including € 240 priority shares)		11,912		11,912
Adjustment to shares of NLG 0.50 to € 0.25 par value		1,213		—.—
		13,125		11,912
Statutory reserves				
Position at beginning of the financial year		101		14
Less/ Add: foreign exchange differences		- 11		87
Position at the end of the financial year		90		101
Other reserves				
Position at the beginning of the financial year		488,044		459,603
Less: Adjustment to shares of NLG 0.50 to € 0.25 par value		- 1,213		—.—
Less/ Add: from processing loss / profit from allocation		- 29,510		28,441
Less: dividend		- 5,775		—.—
Position at end of the financial year		451,546		488,044
Total shareholders' equity		464,761		500,057

Commitments and contingent liabilities

Pursuant to section 403, paragraph 1, sub f, Book 2 of the Dutch Civil Code, the company has assumed liability for any debts arising from legal actions of the group companies consolidated under financial fixed assets, excluding Media Groep West B.V., Franken Beleggingsmaatschappij B.V., Mobillion B.V. and Drukkerij Van Groenigen B.V.

PUBLICATIONS AND ACTIVITIES OF DE TELEGRAAF COMPANY PER JANUARI 2001

Newspapers

De Telegraaf
 Limburgs Dagblad
 Dagblad De Limburger
 Haarlems Dagblad
 IJmuider Courant
 Leidsch Dagblad
 Noordhollands Dagblad
 including:
 ■ Alkmaarsche Courant
 ■ Schager Courant
 ■ Enkhuizer Courant
 ■ Dagblad voor West-Friesland
 ■ Helderse Courant
 ■ Dagblad Kennemerland
 ■ Dagblad Zaanstreek
 ■ Nieuwe Noordhollandse Courant
 De Gooi- en Eemlander
 Dagblad van Almere
 Spits

Internet

www.telegraaf.nl
 www.DFT.nl
 www.basismedia.nl
 www.spitsnet.nl
 www.haarlemsdagblad.nl
 www.ijmuidercourant.nl
 www.leidschdagblad.nl
 www.nhd.nl
 www.noordhollandsweekblad.nl
 www.gooieneemlander.nl
 www.dagbladvanalmere.nl
 www.mgl.nl
 www.limburgsdagblad.nl
 www.limburger.nl
 www.hollandcombinatie.nl

Magazines

Netherlands

Privé
 Elegance
 MAN
 Residence
 Hitkrant
 OOR
 Autovisie
 Voetbal Magazine
 FHM (For Him Magazine)
 Starstyle
 Chapeau! (issued by MGL)

Sweden

Vi Båtägare
 Båtnytt
 Golf Digest
 Residence
 Cosmopolitan

Internet

www.ttg.nl
 www.autovisie.nl
 www.hitkrant.nl
 www.oor.nl
 www.prive.nl
 www.fhm.nl
 www.starstyle-magazine.nl
 www.man.nl
 www.fc-voetbalmagazine.nl
 www.marinan.com
 www.cosmomag.se
 www.batnytt.se
 www.vibatagare.se
 www.residence.se

Other

internet activities

abonneeservice.tel.nl
 www.wijzer.nl
 Speurders.nl
 autotelegraaf.nl
 elcheapo.nl
 netmail.nl
 vacatures.telegraaf.nl
 weerkamer.nl
 woonkrant.nl
 reiskrant.nl
 www.Limburgpersoneel.nl
 www.Limburgopwielen.nl

Door-to-door papers and news journals

Greater Amsterdam area

De Echo (11 editions)
 Het Weekblad voor de Noord-
 Amsterdammer
 Amstelveens Nieuwsblad
 Zondagochtendblad

Amstelland/Haarlemmermeer

Witte Weekblad
 Autojournaal
 Zondagochtendblad

't Gooi and surrounding area

De Gooi- en Eembode
 Laarder Courant De Bel
 Nieuwsblad voor Huizen
 Vecht-Journaal
 Baarns Weekblad
 Woonbode

Goois Weekblad
 De Nieuwe Weesper

Flevoland

De Almare
 't Groene Weekblad
 Zondagochtendblad

Haarlem

and surrounding area
 Nieuwsblad De Kennemer
 Haarlems Weekblad
 Heemstedse Courant
 Nieuwsblad IJmuiden
 Nieuwsblad Santpoort
 & Velsbroek
 Zondagochtendblad

Leiden

and surrounding area
 Het op Zondag
 Autojournaal
 Witte Weekblad

Duin- en bollenstreek

Witte Weekblad

Alphen a/d Rijn

and surrounding area
 Witte Weekblad
 Witte Weekblad Weekend

Zaanstreek/Purmerend

Noordhollands Weekblad
 De Zaankanter
 De Krommenieër
 Het Gezinsblad
 Zondagochtendblad

OTHER DATA

West-Friesland

Westfries Weekblad
Enkhuizer Weekblad
Noordhollands Weekblad
Zondagochtendblad

Alkmaar

and surrounding area

Alkmaars Weekblad
De Koerier
De Duinstreek
Nieuwsblad voor Castricum
Noordhollands Weekblad
Zondagochtendblad

North Holland North

Helders Weekblad
Schager Weekblad
CTR/De Polderbode
Noordhollands Weekblad
Wieringer Courant
Wieringermeerbode
Zondagochtendblad

North Brabant East

De Trompetter (4 editions)
De Schakel
Veldhovens Weekblad
Oirschots Weekjournaal
Kempener Koerier
De Kempenaer
De Hilverbode
Nieuwsklok

Limburg

De Trompetter (12 editions)

Audiovisual activities

Cable TV information services
NieuwsNet 9
Call centre services
participating interests in national commercial TV
Teletext activities

Internet

www.nieuwsnet9.nl
www.mediagroepwest.nl

Printing companies

B.V. Rotatiedrukkerij Voorburgwal
B.V. Drukkerij Noordholland
Nieuwsdruk Limburg

Logistics

DistriQ B.V.
Telegraaf Distri B.V.
Regio Distri B.V.

Participating interests

Media Groep West B.V. (90%)
■ V.o.f. SBS 6/Net 5 Text(45%)
■ V.o.f. V8/Fox Kids Text(45%)
■ Mobillion B.V. (63%)

SBS Broadcasting B.V. (30%)
SBS Radio B.V.(30%)
Wegener N.V. (20,5%)
Autobytel Nederland v.o.f. (37,5%)
Travel Portal B.V. (50%)
Advanced Matching Systems Europe B.V. (8,67%)
Jump Technologies Inc. (3%)
Regio I beheer B.V.(75%)
De Nationale Regiopers C.V. (25,6%)
Exploatiemaatschappij Nr. 1 B.V. (40%)
Regionale Televisie Limburg B.V./L1 (45%)
Regionale Omroep Limburg B.V./L1 (41%)
Biegelaar Groep/Brouwer Groep.....(43%)
B.V. Algemeen Nederlands Persbureau ANP(28,4%)
TTG CosmoMag AB.....(50%)



Synergy

Connecting places where good work is being done and **good ideas** are being generated. Transforming a good story to suit a different information carries. Extending general interest to special interest. In brief: low walls and open windows. Benefiting from one another's capacities. And making a complete, moving whole out of separate little pieces.

AUDITORS' REPORT

Introduction

We have audited the accompanying 2001 financial statements of N.V. Holdingmaatschappij De Telegraaf, Amsterdam. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements of N.V. Holdingmaatschappij De Telegraaf give a true and fair view of the financial position of the company as at 31 December 2001 and of the result for the year then ended in accordance with accounting principles generally accepted in the

Netherlands and comply with the financial reporting requirements as included in Part 9 of Book 2 of the Netherlands Civil Code.

Leiden, 21 March 2002.

Deloitte & Touche Accountants

DIVIDEND PROPOSAL

We propose to declare a dividend for 2001 of € 0.11 in cash per share of € 0.25 par value charged to the other reserves. A dividend of NLG 0.84 (€ 0.38) per share of NLG 0.50 (€ 0.23) par value was paid out for 2000.

	2001	2000
Distribution of profit:		
Other reserves	– 29,510	28,441
Dividend	p.m.	20,011
	– 29,510	48,452

POST BALANCE SHEET EVENTS

■ Agreement has been reached between the boards of Brouwer Groep and Biegelaar Groep about a legal merger. Under the agreement, Biegelaar Groep will be incorporated into Brouwer Groep with retroactive force from 1 January 2002. The formal details of the deal will be finalised shortly. Based on its proportional contribution, Holdingmaatschappij De Telegraaf will get 31% of the shares of the new combination. It has also been agreed that Holdingmaatschappij De Telegraaf will simultaneously purchase another 12% of the shares in the new combination, which will bring the total interest up to 43%. Furthermore, Holdingmaatschappij De Telegraaf will provide an amount of € 30 million in loans at an annual interest rate of 7.5%, the subordinated portions of which will equal the bank loans.

Holdingmaatschappij De Telegraaf has reinforced its cash position with a net sum of € 34 million, the balance of the repayment of loans previously extended to Biegelaar Groep, dividend received, and after deduction of the subordinated loans to be extended. The printing contracts of De Telegraaf Tijdschriften Groep and 'tweekeinde' will be extended for a period of at least five years, the terms of which reflect present market conditions.

■ Holdingmaatschappij De Telegraaf holds 60% of Woonkrant.nl. Recently, agreement was reached about the purchase of the remaining 40%. With the interest raised to a full 100%, the on-line and off-line activities can be integrated and the company's market position can be further extended.

■ Agreement has also been reached on the sale of music magazine OOR to Nederlandse Tijdschriften Groep B.V. Due to a lack of synergy within the magazine portfolio of Telegraaf Tijdschriften Groep, the magazine failed to generate a sufficient level of profit.

PROFIT APPROPRIATION AS PROVIDED FOR IN THE ARTICLES OF ASSOCIATION

Pursuant to article 34 of the articles of association of N.V. Holdingmaatschappij De Telegraaf, the following rules apply to the appropriation of profits:

■ Subject to the approval of the Supervisory Board and Stichting Beheer van prioriteits aandelen N.V. Holdingmaatschappij De Telegraaf, the Managing Board shall decide every year what percentage of the profit - the positive balance of the profit and loss account - is to be added to the reserves.

■ Out of the profits, after addition to the reserves in accordance with the preceding paragraph, a dividend shall be paid on the amount paid in on the preference shares, the percentage of which shall be equal to the average yield of Dutch medium-term government bonds as at the beginning of the financial year to which the distribution relates, increased by one per cent. The average yield is determined by the Managing Board subject to the approval of the Supervisory Board.

■ A primary dividend amounting to five per cent of the nominal amount of their shares or - if the profit is not sufficient for this - as high a percentage as possible, is then paid out to the holders of ordinary shares and priority shares. Where it concerns priority shares, the percentage of the above-mentioned dividend may not exceed the percentage of the legal interest rate prevailing on the last day of the financial year in question.

■ If the distribution of dividend on preference shares, as referred to in paragraph 2, cannot be effected or not in full because the profit is not sufficient, the deficit shall be paid out of the distributable portion of shareholders' equity. The dividend is determined over the paid-up portion of the nominal amount.

■ The remaining profit shall be at the disposal of the General Meeting provided that no further dividend is to be distributed on priority shares and preference shares.

SPECIAL RIGHTS UNDER THE ARTICLES OF ASSOCIATION

Priority shares

The priority shares are held by the Stichting Beheer van prioriteitsaandelen N.V. Holdingmaatschappij De Telegraaf, the Board as at 31 December 2001 consists of Mrs J.A. Brewer-de Koster and Messrs L.G. van Aken, E.F.M. Kok, A.J. van Puijenbroek and E.H. van Puijenbroek.

The goal of the foundation is to acquire and manage the priority shares in the company and, partly by means this, to ensure continuity in the management of the company, to defend against influences on the management that could prejudice the company's independence and would be contrary to the company's interest, and to further a good policy in the company's interest.

The powers attached to the priority shares consist, amongst other things, of the right of granting approval for resolutions for the issue of shares, of fixing the number of Managing Board and their remuneration, of fixing the number of Supervisory Board of the company, and of taking the initiative for an amendment to the articles of association and dissolution of the company before the General Meeting of Shareholders can make a decision on that.

Declaration of independence

The Managing Board of N.V. Holdingmaatschappij De Telegraaf and the Board of Stichting Beheer van prioriteitsaandelen N.V. Holdingmaatschappij De Telegraaf hereby declare that, in their joint opinion, the requirements in respect of the independence of the Board of Stichting Beheer van prioriteitsaandelen N.V. Holdingmaatschappij De Telegraaf, set out in Annex X to the Listing and Issuing Rules of Amsterdam Exchanges N.V., Amsterdam, have been fully satisfied.

**Managing Board of
N.V. Holdingmaatschappij De Telegraaf**

**Board of Stichting Beheer
van prioriteitsaandelen
N.V. Holdingmaatschappij De Telegraaf**

Amsterdam, March 2002.

Preference shares

The goal of Stichting Preferente Aandelen De Telegraaf is:

- To look after the interests of the company limited by shares N.V. Holdingmaatschappij De Telegraaf, established in Amsterdam, hereinafter called: 'the company', the companies associated with it and all those involved, by defending the company as much as possible against influences that could threaten its continuity, independence or identity and would be contrary to these interests.
- Defending the company against influences of third parties that could impair editorial independence, as well as the principles underlying editorial policy concerning news publications of enterprises within the group.

The foundation seeks to achieve this goal by acquiring preference shares in the company and by exercising the rights attached to these shares. In doing so, the foundation takes into account the purpose for which preference shares may be issued.

This purpose does not include the sale, encumbrance or any other way of disposing of shares except in case of:

- Sale to the company itself or to a company associated with it within the group and designated by the company;
- Collaboration in the repayment on and the cancellation of shares.

The right to issue preference shares of N.V. Holdingmaatschappij De Telegraaf has been granted by Stichting Beheer van prioriteitsaandelen N.V. Holdingmaatschappij De Telegraaf.

The Board consists of one Chairman and four members. Composition of the Board as at 31 December 2001: G.G. Witsen Elias (Chairman), S.E. de Jong, A. den Bandt, E.F.M. Kok and A.J. van Puijenbroek.

As at the balance sheet date no preference shares had been issued.

Declaration of independence

The Managing Board of N.V. Holdingmaatschappij De Telegraaf and the Board of Stichting Preferente Aandelen De Telegraaf hereby declare that, in their joint opinion, the requirements in respect of the independence of the Board of Stichting Preferente Aandelen De Telegraaf, set out in Annex X to the Listing and Issuing Rules of Amsterdam Exchanges N.V., Amsterdam, have been fully satisfied.

**Managing Board of
N.V. Holdingmaatschappij De Telegraaf**

**Board of Stichting
Preferente Aandelen De Telegraaf**

Amsterdam, March 2002.

OTHER DATA

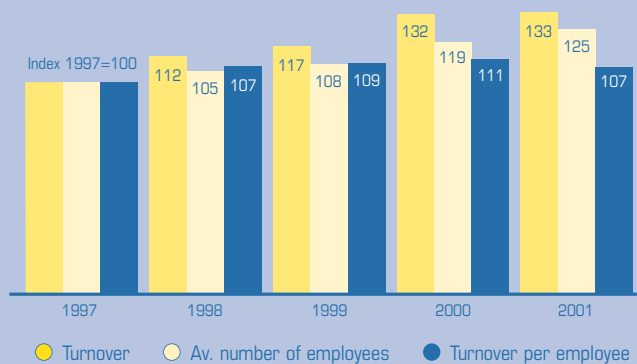
KEYFIGURES AS AT BALANCE SHEET DATE

	2001	2000	1999	1998	1997	1996
Shareholders' equity x € 1,000	464,761	500,057	471,529	430,079	386,903	348,299
Shareholders' equity as a percentage of total assets	60.6%	61.6%	63.2%	65.3%	65.7%	65.9%
Current assets: short term liabilities	0.72 : 1	0.70 : 1	1.44 : 1	1.55 : 1	1.48 : 1	1.58 : 1
Shareholders' equity: borrowed capital	1.54 : 1	1.60 : 1	1.72 : 1	1.88 : 1	1.92 : 1	1.93 : 1
Net turnover x € 1,000	822,220	811,147	721,335	689,916	616,122	582,303
Cash flow x € 1,000	59,511	113,872	120,798	119,376	108,154	86,435
Net profit x € 1,000	-29,511	48,452	64,794	65,877	56,573	38,391
Net profit as a percentage of net turnover	-3.6%	6.0%	9.0%	9.5%	9.2%	6.6%
Operating profit as a percentage of net turnover	1.2%	9.9%	12.3%	12.8%	12.8%	11.2%
Average net turnover per employee	151,561	156,690	153,922	151,018	141,625	141,035
Work force at year-end	5,953	6,070	5,337	5,180	4,901	4,599
Return on shareholders' equity	-6.4%	9.7%	13.7%	15.3%	14.6%	11.0%
Pay-out ratio	p.m.	41.3%	36.0%	35.4%	35.4%	42.2%
Per share of €0.25 or NLG 0.50 par value: (rounded off to full eurocents)						
Shareholders' equity	8.85	9.52	8.98	8.19	7.37	6.63
Cash flow	1.13	2.17	2.30	2.27	2.06	1.65
Profit	-0.56	0.92	1.23	1.26	1.08	0.73
Dividend	0,11	0.38	0.44	0.44	0.38	0.31
Price: low	14.00	20.80	16.88	17.47	16,34	12.84
Price: high	22.90	37.00	24.69	23.82	22,01	19.24
Closing rate of exchange as per 31 December	17.09	21.60	22.00	22.91	17,33	16.51
*Including a jubilee dividend						

OTHER DATA

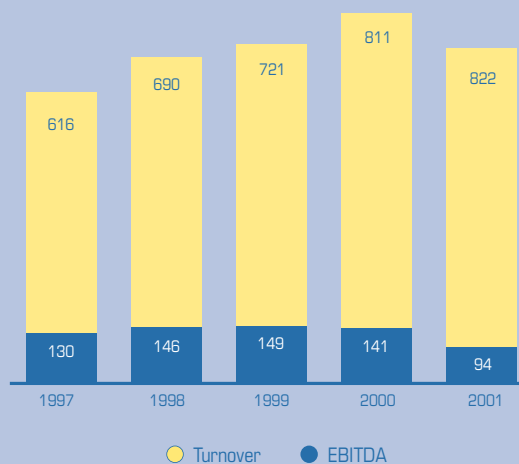
1995	1994	1993	1992
358,095	327,813	298,831	277,149
70.3%	69.1%	68.2%	71.2%
2.25 : 1	1.87 : 1	1.43 : 1	1.33 : 1
2.37 : 1	2.23 : 1	2.15 : 1	2.48 : 1
522,530	495,793	475,885	364,653
87,028	83,759	78,112	58,521
45,973	41,487	34,944	31,790
8.8%	8.4%	7.3%	8.7%
11.8%	11.3%	9.3%	10.1%
127,966	120,932	114,489	127,921
4,528	4,551	4,573	3,079
12.8%	12.7%	11.7%	11.5%
35.0%	35.9%	41.9%	36.7%
6.82	6.24	5.69	5.28
1.66	1.60	1.49	1.11
0.88	0.79	0.67	0.61
0.31	0.29	0.28*	0.22
9.76	8.55	5.22	4.60
13.95	11.37	9.02	5.36
12.82	11.34	9.02	5.22

NUMBER OF EMPLOYEES IN RELATION TO TURNOVER



MOVEMENTS EBITDA IN RELATION TO TURNOVER

x € 1 million

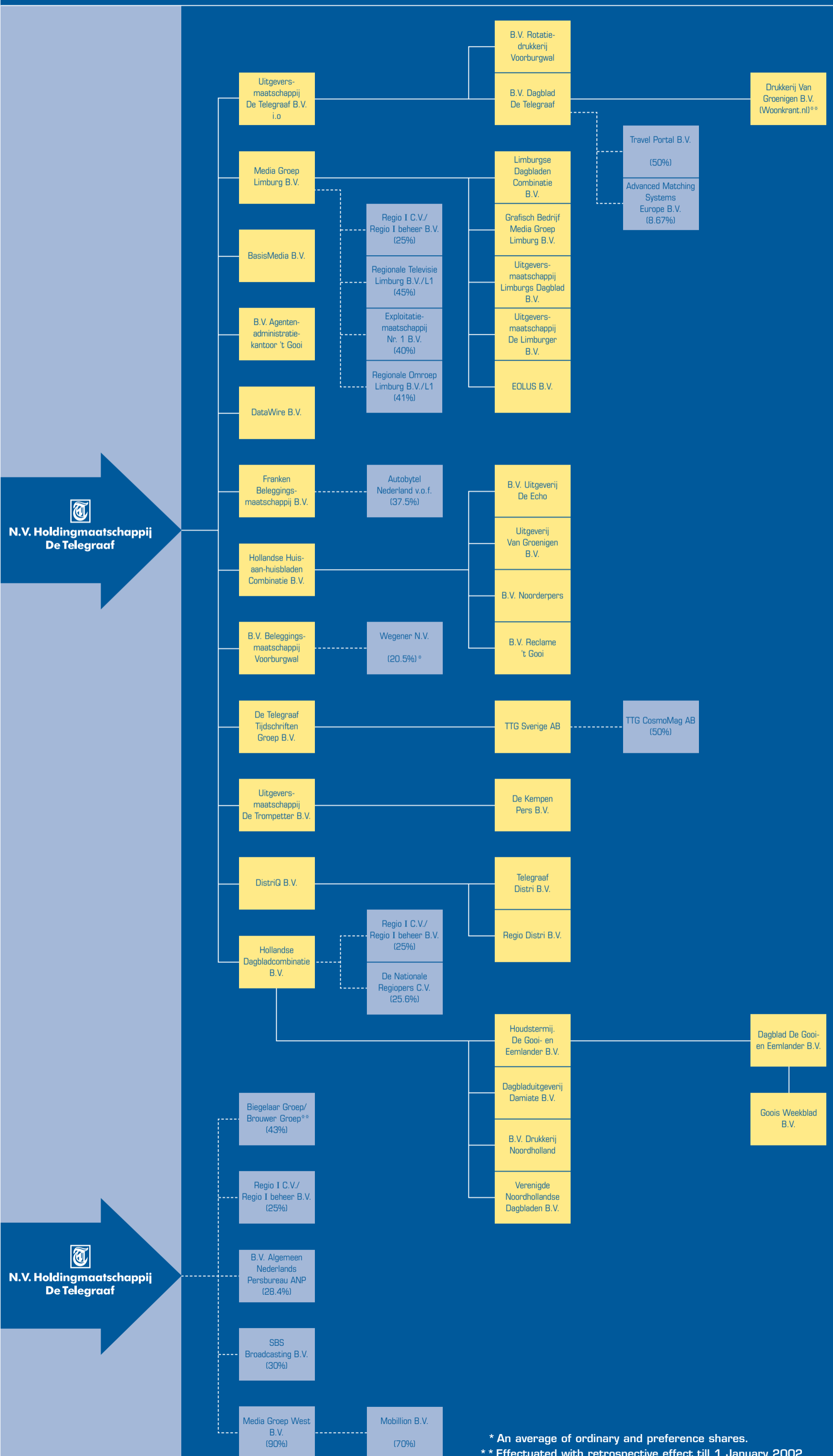


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	H.C. Straat	A.C.P. Peters	

STRUCTURE OF THE TELEGRAAF-COMPANY

JANUARY 2002



* An average of ordinary and preference shares.
 ** Effectuated with retrospective effect till 1 January 2002

OTHER DATA

Colofon

Design

Reclameafdeling Dagbladen

Fotography

J. Knoote

Printing & After-press

Drukkerij van Ketel B.V.

000-212/01