

CLT-UFA

Under the terms of an agreement signed between AUDIOFINA and Germany's BERTELSMANN, the third largest communication group world-wide, CLT combined in January 1997 its own audio-visual interests and activities with all those of UFA, BERTELSMANN's audio-visual subsidiary. The new CLT-UFA entity, now held equally by AUDIOFINA and BERTELSMANN, is the largest private commercial radio and television operator in Europe.

This alliance, which took effect at 13 January 1997, signals the birth of the first audio-visual European group with interests in 19 television stations and about 20 radio stations in 10 European countries.

In 1996, advertising revenues at the M6 television station grew faster than those of any other station in France and M6 obtained a 12.5% market share. In Germany, RTL TELEVISION, of which 89% is held by the CLT-UFA Group, saw profits rise and its leadership role maintained in Germany.

In 1996, CLT also strengthened its presence in the Netherlands in the HOLLAND MEDIA GROEP (HMG) by increasing its interest in the RTL4 station from 47.3% to 60.8%.

In the United Kingdom, having obtained the right to operate the 5th and last British television ground network, CLT and its partners (UNITED NEWS AND MEDIA, PEARSON and WARBURG PINCUS) launched CHANNEL 5 in March 1997.

The Group also invested in new markets in Eastern Europe with the December 1996 launch of the Polish-language RTL7 generalist station, which is broadcasted by satellite and cable.

In addition to its activities in the television advertising sector, the Group entered the French pay-TV market by participating in the creation and launch last December of TPS, a group of digital generalist and topical stations which also offer interactive services.

The contribution of UFA's 37.5% interest in PREMIÈRE, number one in pay TV in Germany, also consolidated the Group's position in Europe's largest market.

In France, a difficult market, RTL maintained its market share and came in first place among French multi-topic radio stations for the 15th consecutive year. The Group, also present in FUN RADIO and in RTL2, increased its interest in the later from 46.6% to 100%.

In Germany, the 1997 contribution by UFA of its large local and regional radio networks consolidated the Group's position on this market. In the spring of 1996, CLT acquired an interest in two stations in Sweden, 104.7 RTL and BANDIT 105.5, which in September became leaders in their market.

Start-up losses and pre-launch expenses incurred by the Group's new projects and costs incurred in the closing of CLUB RTL (the German-speaking pay TV digital television project which was abandoned due to the particularly difficult and uncertain state of the German market) were offset by extraordinary gains from the sale of the TÉLÉSTAR press group (LUF 6.7 billion) and the sale of the building which used to house CLT's headquarters in Luxembourg (LUF 0.9 billion).

In 1996, the Group's share of estimated net income rose to LUF 3,372 million from LUF 3,335 million in 1995.

Contribution to:

	Restricted consolidation		Consolidation (transitive)	
	Mio BEF	BEF/share	Mio BEF	BEF/share
Operating result 1996	0	0.0	87	3.4
Estimated value at 31.12.1996	0	0.0	2.632	103.9

Consolidated key figures (LUF million)

	1993	1994	1995	1996
Equity (before profit allocation)	12,675	14,550	18,021	23,472
Turnover	75,589	84,768	91,192	92,766
Net profit (Group share)	3,005	3,307	3,335	3,372
Dividends	1,212	1,333	1,437	1,461

ÉDITIONS DUPUIS is the world leader in French-language comic strips, with some 11 million albums sold annually. Starting from its core business, the company has developed its peripheral businesses in audio-visual, licensing and mail order sales. DUPUIS also publishes the Journal de Spirou, the last major weekly comic strip.

The year 1996 was a favourable year for all of ÉDITIONS DUPUIS' businesses.

The core business - the publishing of albums and comic strips- maintained its excellent results thanks to the ongoing enlargement of its catalogue of 1,200 titles by 60 to 70 new titles annually and as a result of its wide-ranging sales efforts, tailored to each of the various markets and collections. In 1996, the HUMOUR LIBRE collection -which, as its name suggests, is more specifically geared to humour- was created.

Journal de Spirou sales rose sharply and are currently at about 75,000 copies per issue; this medium is highly effective as a promoter of both reading and comic strips among its young audience.

The diversification efforts undertaken by ÉDITIONS DUPUIS to diversify beyond the frontiers of its core business - such as the licensing and publishing of multimedia products,

the sale of publishing rights, the distribution of other publishers' work and mail order sales- made a significant contribution to the improvement in the Group's consolidated income, which in 1996 totalled BEF 77 million, up BEF 15 million over 1995, despite the fact that MEDIATOON start-up losses weighed down income by some BEF 20 million. The latter, in which ÉDITIONS DUPUIS holds a 100% interest since January 1997 following the purchase of ASTRAL's shares, intends to build a portfolio of cartoon series in order to improve the presence of DUPUIS catalogue heroes on television screens world-wide; to do so, MEDIATOON is counting on the cartoon production studio which ÉDITIONS DUPUIS has created in Paris.

As a result of its profit growth and diversification strategy based on a catalogue of great comic strips, ÉDITIONS DUPUIS looks to the future with confidence. The year's dividend was raised to BEF 75 million.

Contribution to:

	Restricted consolidation		Consolidation (transitive)	
	Mio BEF	BEF/share	Mio BEF	BEF/share
Operating result 1996	12	0.5	42	1.7
Estimated value at 31.12.1996	381	15.0	424	16.7

Consolidated key figures (BEF million)

	1993	1994	1995	1996
Equity (before profit allocation)	1,022	686	692	762
Turnover	1,454	1,637	1,675	1,799
Net profit (Group share)	59	86	62	77
Dividends	28	30	36	75

The ARTEMIS Group acts as trader and investor in high-quality works of art (paintings, drawings and engravings of modern and old masters, antiques). ARTEMIS operates among an established clientele of museums and international private collectors and acts on its own account and/or in association with other galleries, dealers or reputable experts.

The Art Market has again been through an uneven year. The sales from stock were not as numerous as they should be and were down 35 % to USD 8.5 million. These included a superb painting by Burne-Jones sold to the Dallas Museum of Fine Arts and a wonderful flower painting by Ambrosius Bosschaert the Elder sold to a private collector in America. However, ARTEMIS was entrusted with the sale of important paintings on commission, of which a magnificent still-life by Cézanne, the most expensive work ever sold by ARTEMIS, bought by the Getty Museum. These commissions contributed most significantly to the result of the year with a total of USD 1.9 million, compared to USD 0.2 million last year.

The Group purchase of C.G. BOERNER has continued to contribute significantly to the Group's results. Some important prints and drawings were sold during the year and special mention must be made of two rare sets of German romantic prints which were sold to museums in Chicago and Milwaukee.

The Group's interest in Antiquities is represented by ROBERT HABER & ASSOCIATES in New York. This market has been very slow but the New York Fair in the autumn produced a satisfactory result. However, there does not appear to be any sign of a resurgence in activity.

ARTEMIS increased its office space in New York and now houses both C.G. BOERNER and itself in the new premises. The first exhibition of Roman Views held in the 1996-97 financial year sold well. At the same time, the space in London has been reduced by letting off one and a half floors of the building in Duke Street.

The operating result for the Group was a profit of USD 336,522 before the write-down of the London properties to their market value. After this USD 1.7 million write-down, the loss was USD 1,565,121. No dividend was decided by the Annual General Meeting.

Contribution to:

	Restricted consolidation		Consolidation (transitive)	
	Mio BEF	BEF/share	Mio BEF	BEF/share
Operating result 1996	0	0.0	0	0.0
Estimated value at 31.12.1996	234	9.2	234	9.2

Consolidation key figures (USD thousand)

	1993	1994	1995	1996
Equity	57,947	57,607	52,377	50,735
Turnover	8,873	12,335	13,161	8,504
Net profit (Group share)	254	551	(5,235)	(1,565)
Earnings per share (USD)	0.27	0.58	(5.49)	(1.64)
Gross dividend per share (USD)	1.00	1.00	0	0