THE LEADING EUROPEAN ENTERTAINMENT NETWORK

RTL GROUP

ANNUAL REPORT 2010

TV & RADIO
FOR EVERYONE.
EVERYWHERE.

Consumers are the big winners of digitisation. Viewers can pause or replay their favourite moments, or watch them on the internet or mobile devices. Listeners can download podcasts or replay radio shows at their convenience.

Above all though, people still love live broadcasts, with friends or family.

To find out why, we asked people all over the world, enjoying productions or broadcasts from RTL Group companies. Throughout this Annual Report you can find out what they watch or listen to – how, and why.

NEW YORK/USA

“I GREW UP IN ECUADOR. WHEN WE MOVED I HAD TO LEARN A NEW LANGUAGE. SO I WATCHED TELEVISION A LOT.”

XAVIER[23]/LAUNDROMAT MANAGER

HILVERSUM / NETHERLANDS

"*THE VOICE OF HOLLAND* IS INCREDIBLY EXCITING AND NICE. THIS PROGRAMME IS MADE TO WATCH TOGETHER!"

JANNEKE(19) / STUDENT
JESSE(20) / CHEF

ANNUAL REPORT 2010

BERLIN / GERMANY

PHILIPPINE (26) / ACTRESS

"My favourite is *Who Wants To Be A Millionaire?*
because you can test yourself and see how much you know.
I never manage to get through to the end,
but my brilliant gran would almost certainly win."

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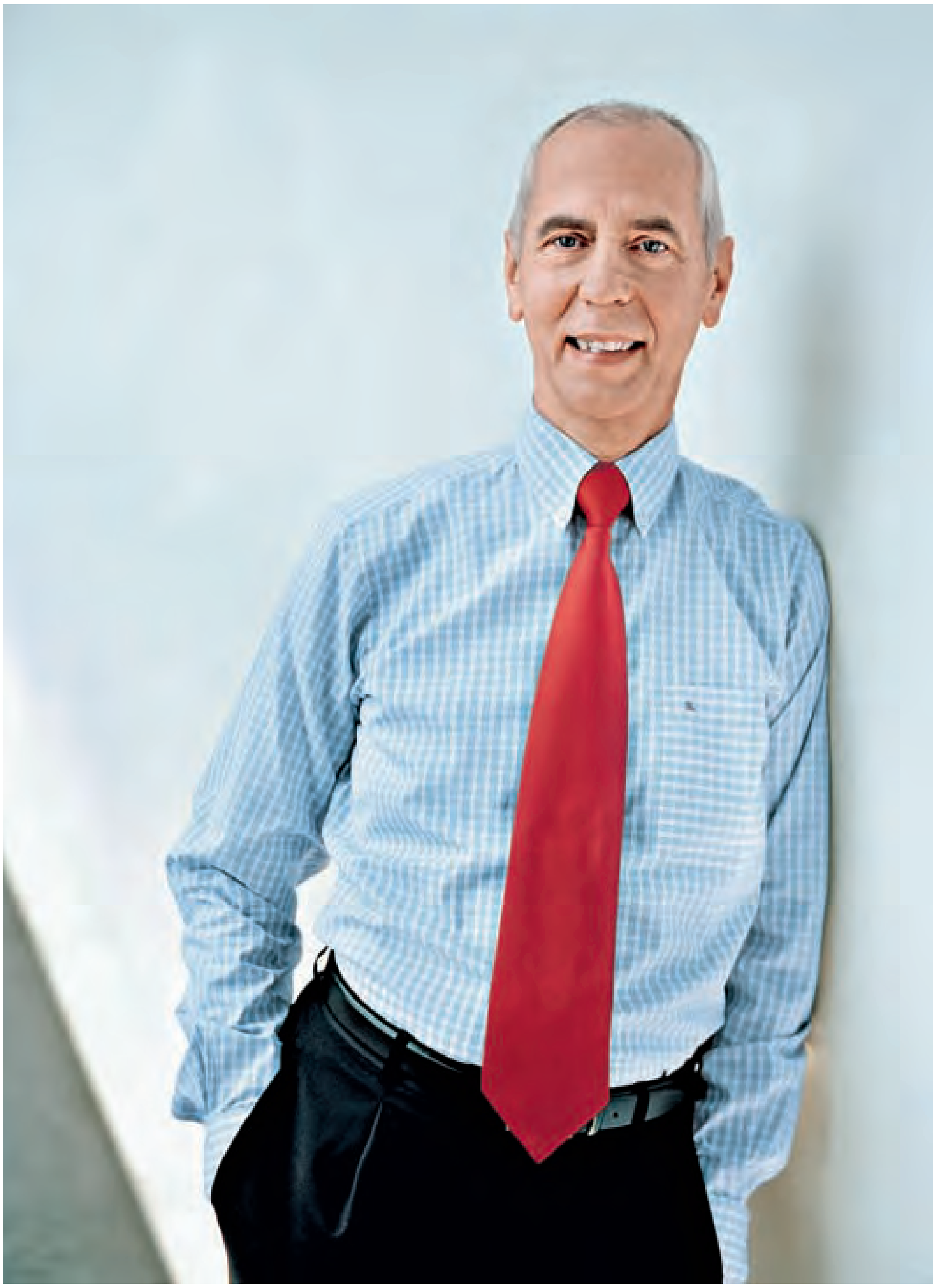


BY SIEGFRIED LUTHER

With high audience shares and leading market positions, RTL Group's TV and radio channels have emerged from the economic crisis stronger than before. This position is also reflected in the Group's extraordinarily good results in 2010. All the key financial benchmarks – revenue, EBITA, margin, net profit – have increased substantially, mainly driven by strong performances in Germany, France and the Netherlands. Targeted acquisitions served to strengthen the Group's content business.

RTL Group benefited from the fact that, after the severe financial and economic crisis in 2008/09, the advertising markets in Western Europe recovered much faster and more strongly in 2010 than could have been expected – even in very optimistic scenarios. The big winner here was television. Large audiences, increased viewing time across Europe, attractive programmes and a growing presence on all digital platforms, make television indispensable to advertisers.

In addition to the recovery in the advertising markets, RTL Group management's early and decisive action during the crisis also had a positive impact in 2010. One vital aspect was the way our major TV channels achieved significant cost savings in 2009 – through detailed work on structures and processes, but always with the aim of safeguarding the audience appeal and leading positions of RTL Group's families of channels.

Clearly, this approach is much harder work than a deep, general cut in the cost base. But the results speak for themselves, and not only in financial terms: in 2010 the major flagship channels RTL Television in Germany, RTL 4 in the Netherlands and RTL-TVI in Belgium significantly increased their audience shares yet again. This popularity is and will remain the foundation of RTL Group's financial success.

The RTL Group share price finished the year up 63.2 per cent, from €47 at the end of 2009 to €76.7 at the end of 2010, while the DJ STOXX index of European media shares increased 13.3 per cent over the year.

The Board of Directors discussed the company's growth strategy intensely with the management. With high cash flows and a significant net cash position, RTL Group has significant investment capacity. In 2010, several mid-sized acquisitions strengthened FremantleMedia's business scope and international presence. Like the Group itself, FremantleMedia is diversifying its business models and customer base, expanding into the growing markets for casual gaming and branded entertainment, which includes activities such as advertising-funded TV programming, live events and sponsored sports tournaments.

RTL Group's digital channels, on-demand platforms and mobile applications are developing very rapidly. The high growth rates underline the fact that television drives and capitalises on digitisation. In fact, the respected journal *The Economist* wrote in May 2010: "If there is one media business with a chance of completing the perilous journey to the digital future looking as healthy as it did when it set off, it is television."

My special thanks go to the staff of RTL Group. In the past two years they have borne many difficult decisions. Their dedication, creativity and ideas played a major role in the company emerging strengthened from the economic crisis and achieving such excellent results last year.

SIEGFRIED LUTHER CHAIRMAN OF THE BOARD OF DIRECTORS

CHIEF EXECUTIVE'S REPORT

BY GERHARD ZEILER

What a difference a year makes. After a steep economic downturn, the TV industry experienced a powerful comeback in 2010. RTL Group's outstanding results reflect a stronger than expected rebound in the Western European TV advertising markets, the enduring impact of our significant cost savings in 2009 and the leading market positions of our families of channels.

During the recession of 2008/09, advertising revenue declined significantly. Many sceptics questioned the future of TV. In fact, if everything said at media conferences, preached by internet visionaries, or predicted by consulting firms were true, then TV would be already dead.

Although no one – not even the biggest optimist – could have expected a recovery on this scale, we at RTL Group have always believed in the fundamental strength of commercial, advertising-funded TV. Not out of complacency, but because the facts speak for themselves. In the past ten years, average TV viewing time in Europe has risen steadily, to 228 minutes a day per person in 2010.

The facts prove that TV is the leading medium. And there are many opportunities for continued growth. In the digital age, viewers can watch what they want, whenever and wherever they want to. This leads them to watch more, not less, TV – through digital video recorders, on-demand platforms and mobile applications. Steep growth rates for RTL Group's online video views and app downloads show that our audience appreciates these digital services.

As an advertising medium, TV is compatible with online, radio, newspapers and magazines. Television establishes the central concept of a major advertising campaign which then resonates through other media. Consequently, advertisers have rediscovered that there is no way they can get their messages across to consumers without TV.

ALL KEY FINANCIAL INDICATORS UP

With TV advertising markets in RTL Group's Western European key territories growing strongly, at between 9 and 12 per cent, consolidated revenue increased by 8.4 per cent to €5,591 million in 2010 (2009: €5,156 million).

Most of RTL Group's profit centres significantly improved their operating results, with particularly strong performances from Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland and RTL Belgium. This resulted in new levels of profitability: Group EBITA increased by 39.6 per cent to €1,111 million (2009: €796 million) – this was €195 million better than the best result so far and exceeded €1 billion for the first time.

RTL Group's EBITA margin improved to 19.9 per cent (2009: 15.4 per cent), also the highest ever. The EBITA margins of the four big broadcasting operations – Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland and RTL Belgium – improved significantly.

Net profit attributable to RTL Group shareholders almost tripled to €611 million from €205 million in 2009.

OUTPERFORMING IN MANY MARKETS

In Germany, the EBITA of **Mediengruppe RTL Deutschland** soared 50.5 per cent to €551 million (2009: €366 million), mainly reflecting significantly higher advertising sales, but also comprehensive cost savings, initiated in 2009.

The combined average audience share of Mediengruppe RTL Deutschland in the key 14 to 49 target group increased to 35.0 per cent (2009: 34.4 per cent) – a new record level. This improvement was mainly driven by the flagship channel RTL Television, which was the number one choice among young viewers by a large margin, and for the 18th consecutive year. With an 18.1 per cent audience share (2009: 16.9 per cent) in its main target group, the channel achieved its best result since 2003. RTL Television also became the market leader in total audience share (13.6 per cent), for the first time since 2003.

Once again, RTL Television was particularly successful in prime time, where the channel led the market in nearly every time slot. The seventh season of *Deutschland sucht den Superstar* (Idols) was the most successful since the talent show's first season in 2003. The fourth season of *Das Supertalent* (Got Talent) set new ratings records with up to 8.5 million viewers and an average audience share of 37.4 per cent among young viewers.

The German family's number two channel, Vox, achieved the second-best audience share (7.7 per cent) in its history.

In France, EBITA of **Groupe M6** was up 25.6 per cent to €245 million (2009: €195 million), driven by significantly higher TV advertising sales.

The combined total audience share of Groupe M6 increased slightly to 14.3 per cent (2009: 14.2 per cent), thanks to its complementary family of channels. In the main commercial target group of housewives aged under 50, the combined audience share of Groupe M6 was 21.7 per cent (2009: 21.9 per cent). Over the past five years, Groupe M6 has been the only major broadcasting group to increase its share of the commercial target group.

In an increasingly competitive environment, M6 remained the second most popular channel in France among housewives under 50, reporting an audience share of 16.5 per cent (2009: 17.2 per cent). More importantly, M6 also continued to reduce the gap on the market leader, TF1, despite TF1 broadcasting most of the football World Cup matches. In total audience

share, M6 (10.4 per cent) is getting closer to its objective of overtaking France 3 (10.7 per cent) and becoming the number 3 channel after TF1 and France 2.

Groupe M6's main digital channel, W9, increased its average audience share among housewives aged under 50 to 3.9 per cent (2009: 3.3 per cent), making it the most watched DTT channel in the key commercial target group.

Despite higher revenue, **FremantleMedia** reported a lower EBITA of €140 million (2009: €155 million), mainly due to general pressure on margins and volumes from broadcasters.

In 2010, FremantleMedia's global network of production companies was responsible for nearly 9,500 hours of TV programming across 54 countries, making it one of the largest creators of award-winning international programme brands. RTL Group's content arm continued to produce the highest rated entertainment shows for broadcasters in the biggest TV markets worldwide – including the US, the UK, Germany, France and Australia – and distributed its programmes to more than 150 countries.

FremantleMedia entertainment formats continued to travel well in 2010. *Got Talent* added another 11 territories to its roster in 2010, and was successfully aired in 40 territories by the end of 2010, while the dating format *Take Me Out* rolled out to nine new territories, taking its total to 16.

Scoring its highest ratings since 1999 and outperforming a significantly growing TV advertising market, **RTL Nederland** increased its EBITA by 52.8 per cent to €110 million (2009: €72 million). The Dutch family of channels achieved a combined prime time audience share of 33.0 per cent in the target group of viewers aged 20 to 49, up from 31.7 per cent in 2009.

As in the previous year, the ratings increase was mainly driven by the flagship channel RTL 4. The first series of the highly interactive talent show *The Voice Of Holland* contributed strongly to the channel's ratings performance. With an average audience share of 47.7 per cent in the target group, the show has become the most watched talent format ever on RTL 4.

Based on growing advertising sales, **RTL Belgium**'s EBITA increased by 25.0 per cent to €45 million (2009: €36 million), while **RTL Radio in France** reported EBITA growth of 60.0 per cent, reaching €24 million (2009: €15 million).

OPTIMISING, INVESTING, DEVELOPING FUTURE GROWTH

RTL Group's strategy pursues two main goals: one is the ongoing, further optimisation of its core business of major TV and radio stations, the other is to advance the Group's growth.

High audience shares will continue to form the basis of RTL Group's success. So the building and extension of families of channels remains an important task in responding to increasing audience fragmentation in a digital, multi-channel world.

The target for our broadcasters has always been very clear: we want to be the number one or a strong number two in each of our markets. Over the years, we examined all options for achieving this goal in the UK with Five. But given the competitive environment and the long-term market development, this was not possible and so we – sadly – decided to sell the channel in 2010 when the economic environment had become more positive.

We will also gradually establish families of channels in countries where we've operated just one main channel so far. For instance, RTL 2 went on air in Croatia at the beginning of January 2011.

One focus of RTL Group's growth strategy is a significant increase in non-advertising revenue by establishing a second revenue stream, continued expansion in content production and diversification businesses.

Our aim is to receive a fair revenue share for our brands and programmes from cable network operators, satellite companies and internet TV providers – for new services such as high-definition TV, on-demand services and digital pay channels, and eventually for the signal of our major free-TV channels as the platform operators get most of their audience and most of their money from these channels.

Our content production arm, FremantleMedia, also plays a key role in strengthening RTL Group's non-advertising revenue streams. In 2010, we strengthened FremantleMedia via several targeted acquisitions, including production companies in the Netherlands and Scandinavia.

In October, FremantleMedia took a 62.5 per cent share in Radical Media, a large-scale move into the branded entertainment market. Also in October, FremantleMedia announced the acquisition of a further 51 per cent stake in Ludia, a leading developer and publisher of interactive casual games. The transaction took the company's stake in Ludia to 80 per cent.

The acquisitions of Radical Media and Ludia form part of FremantleMedia's ongoing plan to broaden and diversify its business by developing new products (beyond TV content), attracting new customers (advertisers and end consumers in addition to TV broadcasters) and developing new business models for entertainment (advertiser-funded and direct-to-consumer).

Developing a profitable business model for the rapidly growing non-linear TV consumption will be one of the most important tasks for RTL Group in the years ahead. We want to be present wherever viewers look for our programmes. Our channels have already succeeded in establishing popular catch-up TV services such as RTL Now in Germany, M6 Replay in France, RTL XL in the Netherlands and RTL Most in Hungary.

In 2010 alone, RTL Group's online platforms and on-demand offers across Europe collectively generated more than 1.4 billion video views of professionally produced content – up 46 per cent year-on-year. Total online advertising revenue increased by 41 per cent. And our companies have launched more than 60 mobile applications which have registered 10 million downloads to date.

To sum things up: RTL Group will continue to invest in new programmes, new channels, content production and in its rapidly growing new media activities.

DIVIDEND

RTL Group's continued focus on cash generation led to a net cash position of €1,456 million at the end of 2010. Based on the Group's improved financial performance and robust treasury position, the Board of Directors has decided to recommend a gross dividend payout of €5.00 per share. If the Annual General Meeting follows this proposal, RTL Group will have distributed €3.1 billion to its shareholders in the past five years, while always remaining debt-free.

LOOKING AHEAD

Despite the fact that TV has profited more strongly than other media from the economic recovery in 2010, it is not possible to give reliable full-year guidance for 2011 at this point in time. As a consequence, RTL Group remains cautious while at the same time being very optimistic about the TV industry's overall growth prospects.

INNOVATION NEVER STOPS

Consumer habits and the digital revolution are rapidly changing the media world. However, some constants remain: TV viewing time continues to rise. And television keeps on evolving, with new services and innovations such as catch-up TV, internet-connected TV sets, mobile apps, and casual video games based on popular TV formats. The TV business has always been driven by new technologies – and vice versa. Television has won through every innovation, becoming ever more diverse and popular. And I firmly believe that the same still applies today. The future of TV is TV.

GERHARD ZEILER
CHIEF EXECUTIVE OFFICER

PROFIT CENTRES AT A GLANCE

MEDIENGRUPPE RTL DEUTSCHLAND

	2010	2009
Revenue	€1,892m	€1,732m
EBITA	€551m	€366m
Advertising market share	44.0%	43.5%
Audience share*	35.0%	34.4%

Target: 14–49

GROUPE M6

	2010	2009
Revenue	€1,459m	€1,377m
EBITA	€245m	€195m
Advertising market share	23.3%	23.0%
Audience share*	21.7%	21.9%

Target: housewives < 50 (including digital channels)

FREMANTLEMEDIA

	2010	2009
Revenue	€1,272m	€1,183m
EBITA	€140m	€155m

RTL NEDERLAND

	2010	2009
Revenue	€429m	€371m
EBITA	€110m	€72m
Advertising market share	41.2%	38.7%
Audience share*	33.0%	31.7%

Target: 20–49 (18–24h)

RTL BELGIUM

	2010	2009
Revenue	€219m	€203m
EBITA	€45m	€36m
Advertising market share	71.9%	72.0%
Audience share*	38.3%	38.9%

Target: shoppers 18–54 (17–23h)

RTL RADIO (FRANCE)

	2010	2009
Revenue	€182m	€174m
EBITA	€24m	€15m
Advertising market share	25.6%	26.2%
Audience share*	19.3%	19.1%

Target: 13+

RTL KLUB

	2010	2009*
Revenue	€105m	€83m
EBITA	€19m	€18m
Advertising market share	48.5%	46.7%
Audience share**	29.1%	30.7%

*RTL Klub has been fully consolidated from April 2009
**Target: 18–49 (prime time)

ALPHA TV

	2010	2009
Revenue	€61m	€70m
EBITA	€(21)m	€(34)m
Advertising market share	16.7%	14.6%
Audience share*	13.8%	13.7%

*Target: 15–44

RTL TELEVIZIJA

	2010	2009
Revenue	€38m	€41m
EBITA	€(3)m	€(3)m
Advertising market share	41.2%	42.0%
Audience share*	24.5%	26.2%

*Target: 18–49

RTL RADIO DEUTSCHLAND

	2010	2009
EBITA	€9m	€6m

GRUPO ANTENA 3

	2010	2009
EBITA (Group contribution)	€24m	€13m
Advertising market share	27.9%	24.7%
Audience share*	16.9%	17.6%

*Target: 16–54 (including digital channels)

TELEVISION AND RADIO PART OF EVERYDAY LIFE

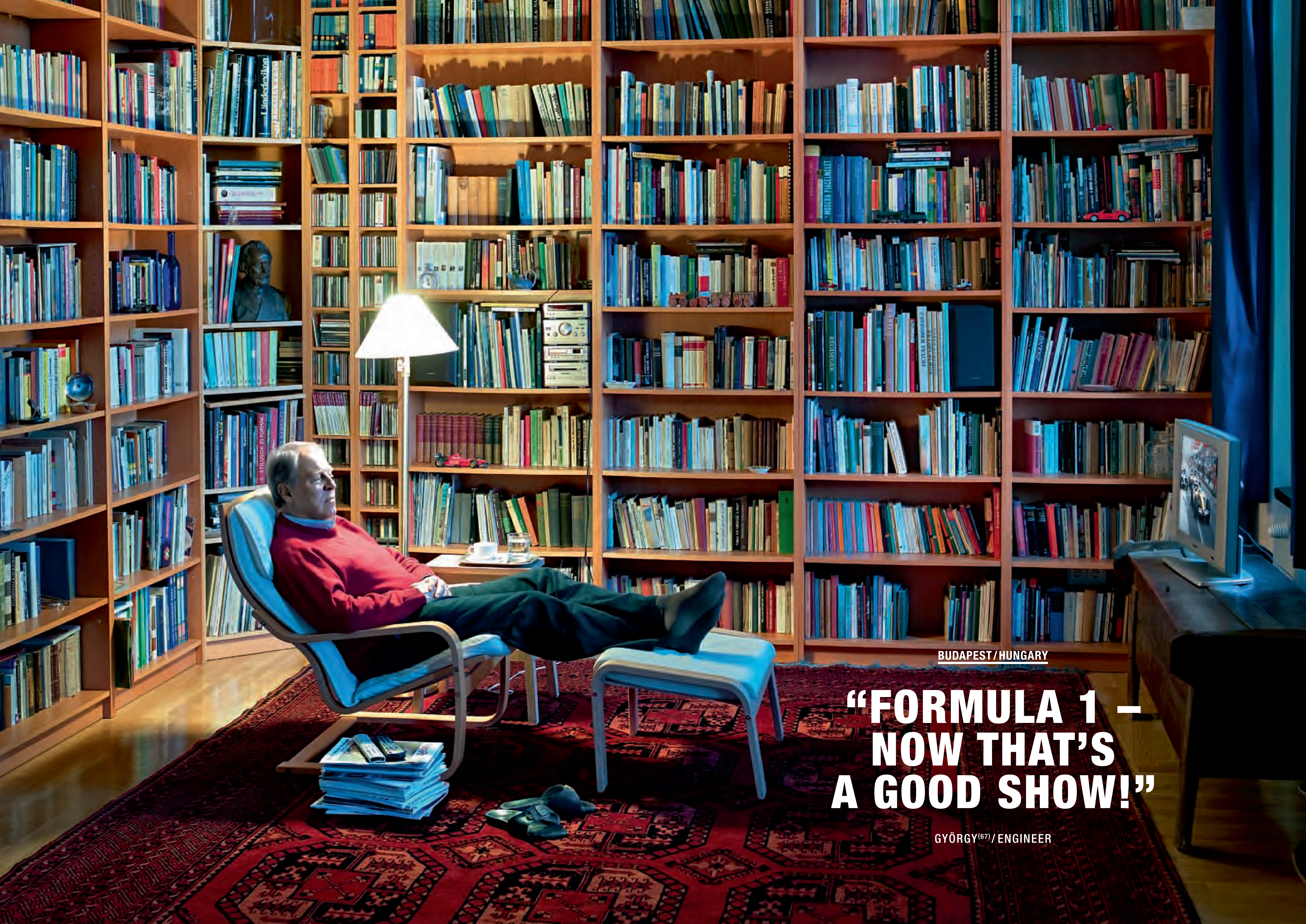
GEELONG / AUSTRALIA

MOLLY(22) / STUDENT

How long have you been watching *Neighbours*?
Since the nineties – I try to watch every day.

Do your friends watch it as well?
Yes, we sometimes watch at each other's houses and we like to chat about it afterwards.

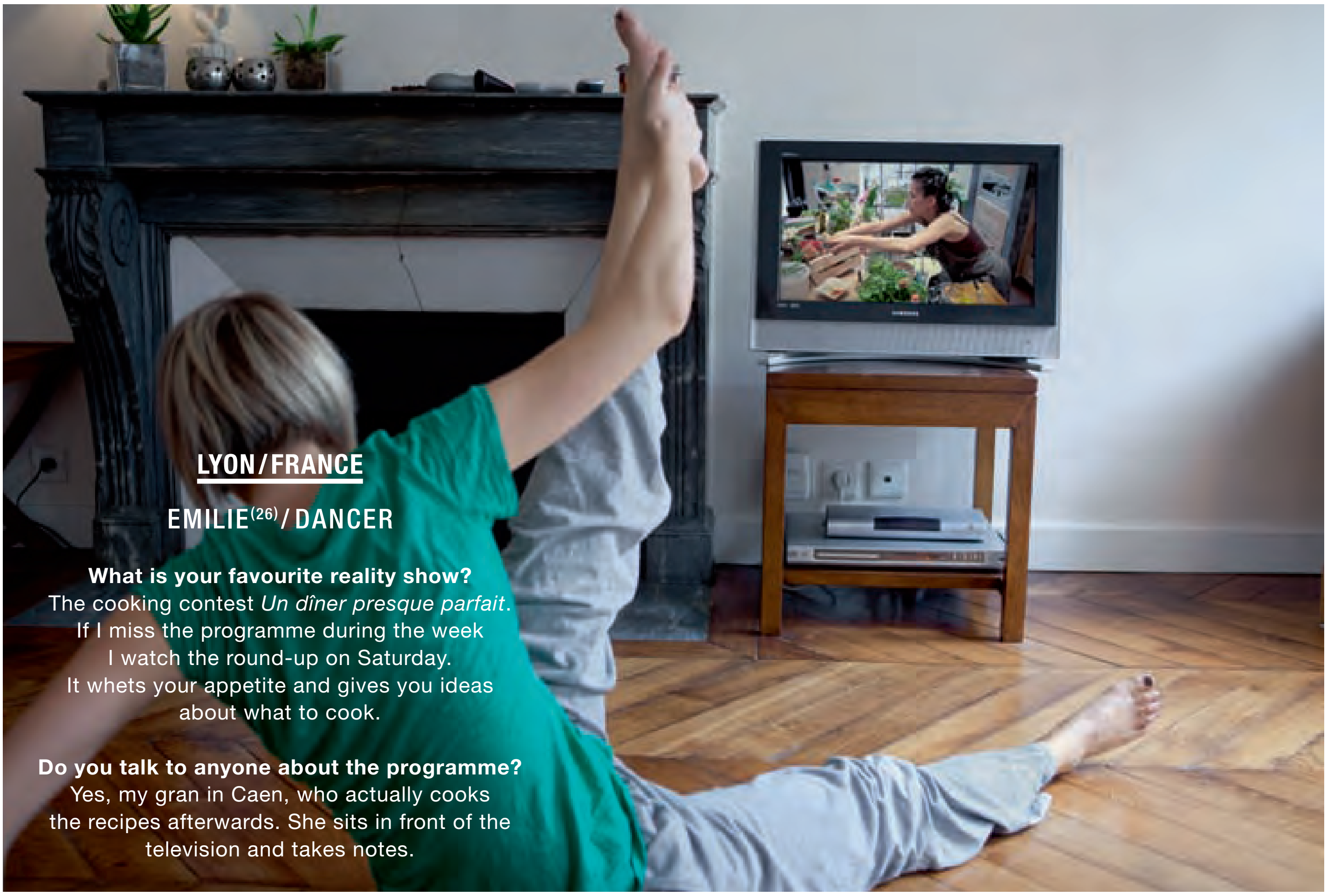
What is special about *Neighbours*?
I guess it's because the characters really grow and change.



BUDAPEST/HUNGARY

“FORMULA 1 – NOW THAT’S A GOOD SHOW!”

GYÖRGY(67)/ENGINEER



LYON / FRANCE

EMILIE(26) / DANCER

What is your favourite reality show?
The cooking contest *Un dîner presque parfait*. If I miss the programme during the week I watch the round-up on Saturday. It whets your appetite and gives you ideas about what to cook.

Do you talk to anyone about the programme?
Yes, my gran in Caen, who actually cooks the recipes afterwards. She sits in front of the television and takes notes.

NEW YORK / USA

ANJA(34) + LENARD(35) / DOCTORS, WITH OSKAR(3) + EMIL(1)

After three years in New York, what are you looking forward to when you soon return to Germany ?
Good old Dieter Bohlen is always great entertainment. I look forward to *RTL Exklusiv* and *Who Wants To Be A Millionaire?* It's a show we can let the kids watch with us. We also watch *CSI* and *House* here and are glad that we'll be able to keep watching them on RTL. Lenard looks forward to the sport.

And your children?
Benjamin Blümchen was a highlight of my childhood, and Oskar is already listening to the radio plays. He's bound to become a big fan of it on Super RTL.

CALCUTTA/INDIA

TINA(21)/STUDENT

What is the thrill of participating in *Indian Idol*?
It's a great opportunity to fulfill your dreams and to become famous overnight.

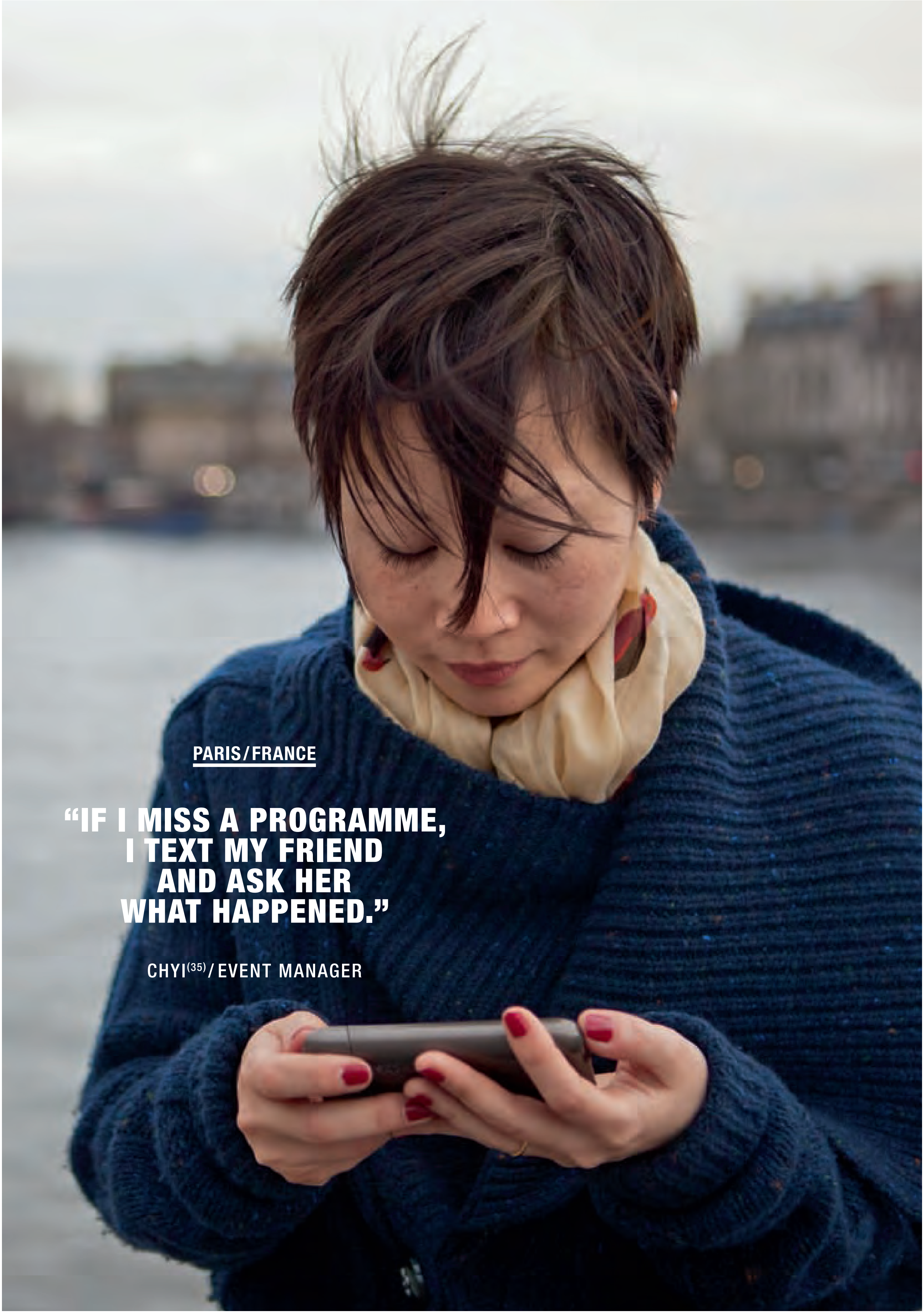
Do you know anyone who was a contestant?
Yes, Imran, a friend of mine. He made it to third place.

When you heard about his part in it, how did you react?
All his friends encouraged him. We all voted for him.

BRUSSELS/BELGIUM

"LISTENING TO BEL RTL RADIO CREATES A GOOD ATMOSPHERE IN THE HOUSE. WE LIKE TO LISTEN TO THE NEWS AND RELAXING MUSIC IN THE MORNING. IT'S A GOOD START IN THE DAY TO HEAR OLD FAVOURITES AND SING ALONG."

DAAN(31)/ART PROJECT COORDINATOR
PAULO(28)/DANCER


PARIS/FRANCE
“IF I MISS A PROGRAMME,
I TEXT MY FRIEND
AND ASK HER
WHAT HAPPENED.”
CHYI(35)/EVENT MANAGER

BANGKOK / THAILAND

SUAR(23) / RAPPER

Do you know the TV format *Got Talent*?
Yes I do and I am really looking forward to having it on TV here in Thailand.

Does TV change your life?
Yeah, I am a musician, I get a lot of inspiration from TV. I do hip hop music and I get a lot of what I need for my lyrics from TV.

Love movie or horror movie?
Love movie. Thai horror movies are really scary. And horror movies – come on, you don't find that in real life!

Is it nicer to watch TV with friends?
I like to use TV to socialise, to talk about it.

MUDGEE / AUSTRALIA

RICHARD (32) / TRUCK DRIVER

"I liked *The Farmer Wants A Wife* because of the bush people and the different characters. I was amazed when I noticed that I once delivered cattle to one of the blokes on the show. I don't have TV in the truck, but we tape it and watch it when I am home again."

HOLLÓKÖ / HUNGARY

“I FEEL SORRY FOR SOME OF THE CANDIDATES ON *WHO WANTS TO BE A MILLIONAIRE?* THEY KNOW SO MUCH AND STILL DON’T MAKE IT. BUT ONCE IN A WHILE SOMEONE GETS LUCKY AND DREAMS COME TRUE.”

FERENC (92) / PENSIONER

BERLIN/GERMANY

“I HAVE TO ADMIT THAT EVERY NOW AND THEN WE LIKE TO HAVE OUR DINNER IN FRONT OF THE TELEVISION – A NICE SALAD AND MAYBE A BEER.”

“I USED TO BOX MYSELF, AND LOVE TO WATCH THE BIG FIGHTS ON RTL.”

ANNE(69) + REINHARD(66)/HOUSEWIFE + ARCHITECT

BUDAPEST / HUNGARY

“MY I-PAD IS SET UP SO I CAN WATCH RTL KLUB ON IT. IT ALLOWS ME TO GET AWAY FROM THINGS – I’M INDEPENDENT AND MOBILE. I CAN EVEN WATCH RTL IN THE CAR.”

ORSOLYA (26) / SPECIAL NEEDS TEACHER

“WE LIKE TO WATCH CARTOONS TOGETHER ON CLUB RTL ON SUNDAY MORNINGS. IT’S SNUGGLY BEING TOGETHER ON THE SOFA.”

FÉ(10) + NINÉ(7) + HANNAH(6) / SCHOOLCHILDREN

CALCUTTA / INDIA

“WE WATCH *INDIA’S GOT TALENT* WHENEVER IT’S ON. WHEN OUR CANDIDATE LOSES, WE FEEL THE JUDGES ARE UNFAIR AND WE DISCUSS IT WITH OUR FRIENDS.”

CHANDRANI(36) / HOUSEWIFE, AYUSHREE(10) + AYESHNA(16) / SCHOOLCHILDREN + BASANTI(75) / PENSIONER

AMSTERDAM / NETHERLANDS

“RTL KEEPS ME YOUNG. FOR ME IT’S PLAYFUL, YOUTHFUL TELEVISION THAT LETS ME KNOW WHAT THE YOUNGER GENERATION IS INTERESTED IN.”

ROB (65) / MANAGEMENT CONSULTANT

SYDNEY / AUSTRALIA

“*SO YOU THINK YOU CAN DANCE* PULLS THOSE STRINGS IN YOU. YOU HAVE TO FEEL FOR THE CANDIDATES WHEN THEY’RE HEADED FOR HEARTACHE, AND YOU WANT THEM TO MAKE IT.”

AARON (29) / BUSINESS ANALYST

MUNICH / GERMANY

“LIFE WITHOUT TV WOULD BE LIKE NOODLE SOUP WITHOUT THE NOODLES!”

DIRK(50) / COOK

VÁRBALOG / HUNGARY

“RTL KLUB’S NEWS PROGRAMMES – THOSE I CAN UNDERSTAND. THEY DON’T BEAT AROUND THE BUSH!”

IMRE “ERZSI NÉNI” (“AUNT ELISABETH”)(85) / PENSIONER

BORDEAUX / FRANCE

"WE'VE BEEN FANS OF FC GIRONDINS DE BORDEAUX SINCE 1938. WE'VE BEEN FOLLOWING THE CLUB AND ITS PLAYERS EVER SINCE."

LIONEL (80) + MICHEL (80) / PENSIONERS

AMSTERDAM / NETHERLANDS

"THE PERFECT TV EVENING STARTS WITH *RTL NIEUWS*, BECAUSE THE NEWS IS DIFFERENT. ON RTL THEY HAVE A MORE HUMAN TOUCH AND COVER SMALLER EVENTS, OFTEN DEALING WITH NORMAL PEOPLE."

BAS (34) / EVENT MANAGER

PARIS/FRANCE

“BART IS SWEET. I’D LIKE TO HAVE HIM AS A BROTHER.”

VALÉRIE (18 MONTHS)

BERLIN / GERMANY

"MY FAVOURITE IS *I'M A CELEBRITY GET ME OUT OF HERE!* – I ENJOY THE ELEMENT OF SCHADENFREUDE!"

ZOE(13) / SCHOOLGIRL

BUDAPEST/HUNGARY

"FORMULA 1 IS A GREAT SPORT! AND BEING AT HOME IN FRONT OF THE TV SET IS MUCH BETTER THAN BEING OUTSIDE AT THE TRACK."

JENÖ(40) + BARBARA(35)/CRIMINAL INVESTIGATOR + BANK MANAGER

SCHWANDORF / GERMANY

“I WAS VERY EXCITED. MY HEART WAS RACING.”

ANDREAS (23) / CLERICAL WORKER + CANDIDATE

NEW YORK/USA

“I CAN’T WAIT TO SEE WHO’S WINNING ON *IDOL*.”

AKI(31) / WAITRESS

HAMBURG / GERMANY

"WE OFTEN WATCH TV AS A FAMILY – ESPECIALLY WHEN *IDOLS* IS ON. IF A GREAT SONG COMES ON WE TURN UP THE VOLUME AND SING ALONG."

SUSANNE(50) + JOEP(50) / EDITOR + PHOTOGRAPHER
WITH KLEMENS(14) + JULIA(11)

AMSTERDAM / NETHERLANDS

“I LIKE *IK HOU VAN HOLLAND* VERY MUCH, BECAUSE IT MAKES FUN OF DUTCH PEOPLE. IT PLAYS WITH CLICHÉS AND PREJUDICES.”

JEREMY (35) / OFFICE WORKER

CAPE COD/USA

SUNG PARK SUN(50)/ OWNER OF A HEALTH FOOD SHOP

"I'm a fisherman in my spare time and I am intrigued by *The Deadliest Catch*. What the TV crews capture really is a matter of life and death."

BUDAPEST/HUNGARY

MÁRIA(55)/AUTHOR

"My absolute favourite is the *X-Faktor* –
it's fascinating to see young
people daring to enter such a public contest,
how they develop their talent over time,
and what they become.
The tension of whether they will stay on
or be voted off...
I think the whole show is just fantastic!"

CALCUTTA / INDIA

SOUVIK(42) / DOCTOR FOR HOMEOPATHY

Where do you watch TV?
I have two TVs, one in my dining room and one in my bedroom. I go from one room to the other and don't miss a show.

Why is *Indian Idol* so successful?
TV in India normally means soap and that is very boring. But *Indian Idol* is related to the real world. If you have talent it will be revealed.

What do you like on *Indian Idol*?
It's better than Bollywood. There is more drama. People are always interested in other people's destiny, to see if they win or lose. Bollywood is not realistic. *Indian Idol* is close to real life.

How do you celebrate a candidate?
I used to go to a coffee house where all my friends would meet. We would make our picks and the person whose candidate wins would have to treat the others, like to a round of coffee or champagne.

BANGKOK/THAILAND

SUPHANNEE(26)/ SALESWOMAN

What role does television play for you?
I'm basically addicted to TV. I can't live without television. If I can't watch TV I get nervous.

Where do you prefer to watch television?
I mostly watch it at my stand at the flower market, because I also have to sell. My husband is buying me a new television soon. This one's already a year old. I look forward to that!

How long do you watch TV for every day?
I watch at least three or four hours a day here. Unfortunately the batteries don't last any longer.

BERLIN / GERMANY

“I LISTEN TO THE RADIO A LOT AND LIKE RTL RADIO – IN THE CAR AND IN THE WORKSHOP.”

FRANK(47) / CAR MECHANIC

MELBOURNE / AUSTRALIA

EMMA(38) / E-BAY POWER SELLER

What did you find special about *The Farmer Wants A Wife*?
I just loved it because it’s real and it’s about romance, people looking for love... I guess I’m a bit of a softie. I even forced my husband Scott to watch it.

Did you talk a lot about the programme?
Yes, definitely. I got quite outraged two years ago, for example, when this guy who owned a winery ended up choosing a girl that I thought was all wrong for him.

ZAANDAM / NETHERLANDS

LIEKE(23) / STUDENT

Do you watch *RTL Nieuws*?
Sure, every morning.
It's a must before I go to classes.

What do you like about it?
I can start the day being informed.
And *RTL Nieuws* is kind of fresher.
As far as news is concerned,
RTL is my channel.

CALCUTTA/INDIA

ILA(62) + NIL(73)/
HOUSEWIFE + BUSINESSMAN

What are your TV watching habits, Ila?
I prefer to watch TV from five until six, and nine until eleven in the evening. I watch TV with my husband. Sometimes my son joins us. I often eat or chop vegetables in front of the TV.

Why do older people like to watch *Indian Idol*?
All these hidden talents of our young generation come to light. And their lives are made. That makes me feel good.

What is unique about the show?
The fact that an ordinary guy from Calcutta can make it to national TV feels like winning the world. It is unimaginable. I like the fact that singing and dancing alone has taken them to such high fame.

WEST PALM BEACH/USA

DANIELLE(42)/PACKAGING DESIGNER + PARTICIPANT

How did you get to perform at *The American Idol Experience* at Disney's Hollywood Studios theme park in the Walt Disney World Resort in Florida?
My mother gave us a trip to Orlando as a present for my daughter Juliette's first birthday. I'm a huge fan of *American Idol* and I've watched every season. So first we watched the show and when we left, I was asked if I wanted to audition for the next show. And so I received their hair and make-up treatment and their singing coaching. It was really nice.

What song did you sing?
They suggested *For Once In My Life* by Stevie Wonder. People later came up to me in the parking lot and told me: "We voted for you". It was fantastic.

THE GOOD LIST

Whether organising major shows to raise funds and awareness, supporting an individual who wants to make a difference, or communicating current affairs in an informative and objective way, RTL Group has a strong tradition of acting responsibly. Many people within the Group show huge personal commitment to a particular cause. Here, RTL Television presenter Katja Burkard visits Africa to raise money to build a primary school in Burundi.

CHILDREN ARE THE WORLD'S FUTURE

Presenter Sylvie van der Vaart is committed to helping children with disabilities

RTL Group raises huge sums of money for good causes around the world. As a leading entertainment network, it also aims to raise awareness of social and environmental issues through the programmes it broadcasts and produces. But it's also proud to employ many people who are personally committed to doing their bit. This combined effort has seen many positive results during 2010.
Many RTL Group activities focus on health, education and social inclusion, especially for children currently underserved by our society.

RTL SPENDENMARATHON

The 15th *RTL Spendenmarathon* raised a phenomenal €7,941,389, to support children in need. This takes the total raised in the last 15 years to over €88 million. And because RTL Television covers the administrative, personnel and production costs for the event, all this money goes directly to selected children's projects around the world.
Twenty-four hours of celebrity auctions, stunts and record-breaking activities were given a full day of programming built around live, hourly visits to the telethon studio. Athlete Joey Kelly balanced on a wire 11 metres above ground, for the full 24 hours. He covered 15.69 kilometres, making it into the Guinness Book of World Records, and raising €90,000 for children in need.

Still going strong, the 15th *RTL Spendenmarathon* raised close to € 8 million

"WE WORK ALL YEAR ROUND FOR CHILDREN WHO NEED OUR HELP."

ANKE SCHÄFERKORDT

Wolfram Kons, the telethon's presenter and RTL Television Charity Director, also took his enthusiasm for the *RTL Spendenmarathon* to new heights. Following a bet with Tom Cruise and Cameron Diaz, he jumped off the roof of the new broadcasting centre in Cologne-Deutz, landing safely, and raising €50,000 in the process.
As Anke Schäferkordt, CEO of RTL Television and chair of the foundation *RTL – Wir helfen Kindern* points out, charity work extends well beyond the day itself: "We work all year round for children who need our help." This includes running fundraising events and supporting 85 major relief projects in numerous locations. In fact, teams from *RTL – Wir helfen Kindern* have covered 672,772 miles (the equivalent of travelling around the world 17 times) while doing charity-related work. Projects include rebuilding an orphanage and two primary schools in Haiti, and

providing long-term support to RTL Children's Houses in the Wolfsburg-Braunschweig area of Germany. Speaking of this commitment, Wolfram Kons says, "If you want to give real and long-term help, you need to work for it 365 days a year."

RTL Spendenmarathon invites celebrity sponsors to promote particular projects: actress Bettina Zimmermann helps seriously ill children on permanent life support in Wiesbaden; Eckart von Hirschhausen is working to get more clowns into hospitals to make sick children laugh; and presenter Katja Burkard is raising money to build a much-needed primary school in Burundi, Africa. Formula 1 star Nico Rosberg and musician Xavier Naidoo are helping to build two new RTL children's homes in Nuremberg and Mannheim, and presenter Sylvie van der Vaart is committed to building a farm for disabled children in the Bergstraße region.

Wolfram Kons says, "For me, *RTL Spendenmarathon* is the most important programme of the year," adding, "I'm particularly proud this event has been supported by the respective CEOs at RTL Television. Without their help, it would not be possible."

The commitment Wolfram Kons himself has shown over the last 15 years was recognised in 2010 when he won the 'Laureus Media Charity Prize 2010' at the first Kress Awards. This media award pays tribute to quality and social engagement in journalism, and recognises Wolfram Kons' 15-year commitment to both *RTL Spendenmarathon* and *RTL – Wir helfen Kindern.*

A host of stars appeared on *Idol Gives Back* – including Fergie from The Black Eyed Peas

"I'M GIVING BACK. ARE YOU?"

Once again, *Télévie* raised huge sums of money to fund research into childhood leukaemia

TÉLÉVIE

Another hugely successful fundraiser, *Télévie*, has been running for more than 20 years in Belgium, and in Luxembourg since 2001. In 2010, the event raised €7,816,573 to support further research into cancer and leukaemia. Despite the progress made, every five days a child in Belgium dies of cancer. With this in mind, more than 400 RTL Group employees in Luxembourg took to their spinning bikes and rowing machines, to pedal and row non-stop for eight hours, raising €52,000 in the process. Guests of honour at the event included Luxembourg's Minister of Agriculture, the Minister of Health and the Minister of the Interior.

Elmar Heggen, Chief Financial Officer and Head of RTL Group's Corporate Centre says, "We're turning this bike ride into an entertaining event – which, after all, is what RTL Group stands for."

Thanks to the efforts of the RTL families in Belgium and Luxembourg, over €100 million has been raised to date. As Arsène Burny, President of the *Télévie* commission, says, "The ultimate goal is to develop a cure for childhood leukaemia."

IDOL GIVES BACK

Making a triumphant return in 2010, the message from *Idol Gives Back* was clear: "I'm giving back. Are you?" The show opened with President Barack Obama and First Lady Michelle Obama encouraging everyone to make a contribution, saying, "Every dollar you give makes a difference to those in need." The show was broadcast live from two separate venues – a huge undertaking in itself.

The event featured some of the biggest acts in show business, including Elton John, The Black Eyed Peas, Alicia Keys, Annie Lennox and Mary J. Blige, and raised almost USD 45 million. Simon Fuller, creator of *American Idol*, says, "I'm overwhelmed by the generosity of *American Idol* viewers, our sponsors and special benefactors. I'm also thankful to the celebrity guests and performers who appeared."

This time, more of the money raised will go to charities in the United States, though the focus is very much on helping children and families both home and abroad. Cecile Frot-Coutaz, CEO of FremantleMedia North America and Executive Producer of *American Idol*, explains, "It's been a very tough couple of years in this country, so we'll focus mainly on US causes as well as some big international ones."

INDIVIDUALS WHO MAKE A DIFFERENCE

It's not just the headline-grabbing, high profile events that matter at RTL Group. Individuals across the organisation have a huge impact, too.

As a Unicef patron and *RTL II News* presenter, Sandra Thier meets former child soldiers in the Congo, and actively raises money to help

As well as being Executive Director of Marketing and Communications at FremantleMedia North America, Ada La Greca is also Head of Community Services, helping a team of employee volunteers organise charity events throughout the year.
The idea came from Ada, who had done a lot of charity work with her previous employer. She says, "It's wonderful to see how these charity projects stretch employees to do things they may not have done before."
In North America, staff from FremantleMedia made food and toy donations, collected clothes for people in homeless shelters and even built a house for a family in need. Staff in the UK managed to raise a total of £54,500 through activities such as cake sales, pub quiz nights, and summer BBQs. On top of this, many invested their time in good causes, such as the Business in the Community programme, Business Action on Homelessness and a Mini Movie Film Project, which involves working with young offenders.
Piet Hein Donderwinkel, the Senior Promotions Director at RTL Nederland, joined seven others to take part in a relay run from Paris to Rotterdam, which was covered by RTL 7. While raising money for people with cancer, the team had a lot of fun, and plan to do it again next year.
In addition to being a popular television personality on RTL Klub in Hungary, Antónia Erös was named a health ambassador in 2006 for her work publicising diabetes. She has lived with type 1 diabetes for 15 years, so knows how important it is to understand the disease. "Diabetes affects the lives of 1.5 million people, but half of them don't even know about it," she says.
In 2005, she helped establish the One Drop Attention Foundation (Egy csepp figyelem Alapítvány), which gives people the

opportunity to measure their blood sugar levels in any one of 850 pharmacies across the country. The foundation also organises the One Drop Day (Egy csepp Világnap) each year, marking World Diabetes Day.

Astrid Körner of the *Explosiv* editorial team organised the 'Wishing Tree' campaign at the new Mediengruppe RTL Deutschland broadcasting centre. Children at the local children's home send in their 'wishes', which RTL employees can choose to fulfil. As all the 52 wishes were quickly taken, Astrid started promoting direct debit mandates for RTL Kinderhaus to raise extra funds for the home in Kölnberg.

Ivana Vujnović and Andrea Prelas both work in RTL Televizija's social responsibility association – whose main goal is to help sick, poor or mentally handicapped children. They support a number of different organisations, making their working days very long. "The hard work is worth it," says Ivana. "Every smile on a child's face becomes a personal and professional success."

Sandra Thier, an RTL II news presenter and Unicef patron, also presents Unicef TV, which provides information about Unicef's latest projects. Sandra is particularly committed to providing support to former child soldiers, and recently travelled to the Congo to see the local situation first-hand. What she saw was: "Horrifying. Children fighting to survive each day." She's now raising money to create a transit camp to help former child soldiers return to a normal life.

Francisco Javier Medina, an actor on the daily soap *Alles was zählt* (All That Counts), has been moved by the difficult plight of some children. He's currently involved in several projects, including a teen outreach programme in Germany, and a music project in Chile. This gives children from poverty-stricken families the chance to perform in an orchestra together. "The conductor in charge gave up his own career to support and care for these children," Francisco says. "Seeing this has been an incredibly moving experience. It's changed my life." Next year, Francisco will take a sabbatical to completely devote himself to children's causes.

These are just a few people in RTL Group who made a difference in 2010. They show what people can achieve when they want to help.

"IT'S WONDERFUL TO SEE HOW THESE CHARITY PROJECTS STRETCH EMPLOYEES TO DO THINGS THEY MAY NOT HAVE DONE BEFORE."

ADA LA GRECA

EWC

ACTING ON EMPLOYEES' VIEWS

Participation in the 2010 Employee Survey rose seven percentage points from the 2006 survey. The results showed that overall satisfaction rates are improving, and employees are optimistic about the company's future – a positive outlook in line with the Group's financial performance over 2010.

However, one of the key benefits of the survey is that it highlights a number of areas the Group and its businesses can look to improve on, such as training and career development. In addition, many employees admitted to feeling unclear on the company's direction, while employee views on fair pay were below the industry benchmarks used to analyse the survey.

Kai Brettmann, Chairman of RTL Group's European Works Council (EWC), believes these latter two points are clearly linked: "The company's financial performance has been nothing short of brilliant, following the world economic crisis. And while it's natural for everyone to think they deserve to be paid a little more, it's especially so when they've been part of achieving these results." Which is why the communication of the company strategy is important, he points out: "If you know some of the profits are being invested in the company's future – your future – then it's easier to understand."

"Staff have to know what they are working towards," continues Kai Brettmann, "to know the aim of their department, division and business – if they are to be integrated into the workplace, and into the company overall."

"The employee survey is an important tool to help us find out what's working and what isn't," Kai concludes. "And it's an instrument for all partners in the social dialogue. So the employee survey highlights issues for everyone to work together on improving – management, works councils, and employees."

LOCAL INITIATIVES ADD UP

With audio description, even more people can enjoy M6's *Victoire Bonnot – Le Secret* on prime time television

In 2010, RTL Group companies continued to support a wide range of good, local causes. Which all adds up to a lot of positive activity.

In December, the *D&CO* show from Groupe M6 brought happiness and fun to sick children at the Robert Debré hospital in Paris, with an extreme makeover of the *Maison des Enfants*, to help improve the quality of life for hospitalised children.

In addition, Groupe M6 channel Téva was the exclusive sponsor of the Prix Clarins de la Femme Dynamisante event, which supports "impassioned women who put all their energy into helping children in distress". In 2010, the award focused on the parents of autistic children. More than just a sponsor, Téva's involvement included the broadcast of a documentary highlighting the plight of three women with autistic children. Vanessa Virag, who runs ABC Autisme said, "Most people with autism need care for life, which is financially and emotionally draining for their families."

Also in France, W9 used sign language to mark the Week for the Employment of Handicapped People, and to help change the way people view handicaps. In addition, special programmes were broadcast, including one about Gilbert Montagné, a famous French singer who was born blind, yet manages to overcome huge challenges every day.

As part of the *Kinder helfen Kindern* (Children Helping Children) campaign, Super RTL gave €10,000 to the National Association of Food Banks in Germany. The channel also distributed toys donated by younger viewers, to children across Germany. This is the fifth time Super RTL has been involved in the campaign.

For the second year running, Antena 3 in Spain ran a two-week campaign, which focused on stopping sexual violence against women. The aim was to show viewers that violence is not just a problem for the women involved, but for society as a whole.

Antena 3 also used its road safety platform *Ponle Freno*, to launch two new initiatives. One hopes to raise awareness of the dangers of cycling, using a TV, radio and internet campaign that talks about the importance of wearing a helmet, keeping your distance, safe places to cycle with kids, and so on. This has the support of six Spanish winners of the Tour de France, as well as the Association of Professional Cyclists in Spain. The other initiative aims to increase safety on the road for seniors, by publishing a charter promoting safer travel for people over 65 years old.

In Germany, RTL II continues to work with schools to help prevent sexual abuse, and is currently producing an awareness and prevention kit, available online at *RTL2.de*.

Radio 538 in the Netherlands works with children in war zones. Two of the radio DJs, Jeroen Nieuwenhuize and Jens Timmermans, went to Sierra Leone to do some hands-on work for War Child. War Child teams up with dozens of local organisations in 12 countries to invest in a peaceful future for children affected by war. They organise education, and encourage children to move on from their traumatic experiences – often using music to help their psychological and social development.

Aiming to exclude no one, M6 broadcast *Victoire Bonnot – Le Secret* with audio description of the visual elements, so that visually impaired viewers could also enjoy an evening of television. Audio description is a technique of describing the visual elements in a programme, which include gestures, surroundings, characters and actions. Since the beginning of the year, M6 has made all of its programming accessible to the hearing impaired.

Wer-kennt-wen.de is joining other German-language internet networks in working to prevent the dissemination of right-wing extremist ideology on the internet.

Keeping people up to date with balanced and independent news coverage is a priority for RTL Group

COMMITMENT TO NEWS

In this section of last year's Annual Report, RTL Group highlighted the commitment to balanced and independent news coverage that runs through all the company's individual profit centres. This year the company's position was underlined with the publication of a separate brochure explaining this commitment in greater depth.

In *News For The People*, a 60-page pocket-sized booklet, RTL Group CEO Gerhard Zeiler states: "Yes, news is expensive. But providing reliable news is our responsibility, so we finance news broadcasts from the company's overall profitability. This deep investment clearly pays off, supporting high ratings, strengthening our brands, and increasing audience loyalty." Alongside facts, figures and examples relating to the company's news and information coverage, the brochure – which you can download at *RTLGroup.com* – features interviews with leading editors, journalists and presenters such as Peter Kloeppel and Antonia Rados from RTL Television, Mélissa Theuriau from M6 and Jacques Esnous from RTL Radio in France.

Award-winning journalist Antonia Rados reports live from Tahrir Square in Egypt

FTSE4 GOOD INDEX

It's official – we do make a difference. In 2010, RTL Group remained a member of FTSE4Good, the responsible investment index.

This formally recognises the positive work RTL Group does, and is evidence of a continued commitment to sustainability.

In his letter to RTL Group, David Harris, Head of Responsible Investment, said: "Congratulations on this important achievement. Global investors are increasingly concerned with the management of environmental and social risks in their portfolios. As a member of the FTSE4Good Index, your company is demonstrating that you have the policies and management systems in place to help address these risks."

"YOUR COMPANY IS DEMONSTRATING THAT YOU HAVE THE POLICIES AND MANAGEMENT SYSTEMS IN PLACE TO HELP ADDRESS THESE RISKS."

DAVID HARRIS

THE GREEN LIST

The greatest challenge the world faces is environmental. While RTL Group is not a major polluter, the company is always keen to reduce its environmental impact and promote environmental causes.

Expédition RTL highlights a biodiversity hotspot under threat: the Madagascan jungle

Environmental days 2010

The 'environMINDdays' have one clear aim: to build awareness among RTL Group's employees of climate change issues, and to highlight what action they can take to tackle them.

In Luxembourg, Elmar Heggen, Chief Financial Officer and Head of RTL Group's Corporate Centre, opened the third 'environMINDday' in June 2010 by saying, "Everyone can do more to protect the environment if they're so inclined." The day focused on transport and looked at more environmentally responsible ways to commute to work. Employees visited an eco-mobility exhibition, had the chance to test-drive a range of environmentally friendly vehicles, and were encouraged to take part in a 'Car-Free Challenge' as well as a 'Bike To Work' initiative.

Such special events also took place in Belgium, the Netherlands, France, Germany and the United Kingdom. The 540 employees at RTL Nederland were made aware of carbon-neutral behaviour and shown the importance of simple actions, such as turning off lights and computers, and using the stairs instead of the lift. In Paris, at RTL Radio, people were encouraged to get to work using greener methods of transport. And in London, FremantleMedia worked with partner organisations to put on a green exhibit that promoted the importance of fair trade and recycling.

Commenting on the day, Jeroen Marre, RTL Nederland, said, "Colleagues were pleasantly surprised that CO_2 reduction is an issue for RTL Group."

GREEN PROGRAMMING

As well as internal initiatives to educate and raise awareness, the opportunity to use its position as a broadcaster to inspire others and communicate important messages is not lost on RTL Group.
One programme that successfully raises awareness of current environmental issues is *Expédition RTL* on RTL Radio in France. Each month a journalist and a technician from France's number one radio station travel to a place where part of the planet's environmental future is at stake. In 2010, the team set sail for Madagascar, one of the planet's biodiversity hotspots, to look at ways its inhabitants are trying to preserve the island's marine and natural resources. They also visited the Middle East to investigate water shortage in the area.
Marking a new season, *Expédition RTL* has been renamed *Destination RTL*, and focuses on locations in Europe. The journalist reports on the problems each country faces, and ways to resolve them. In the first trip to Lithuania the team looks at how green energy is developing in the country, following the closure of an old nuclear power plant, which resulted in an energy crisis.
By informing listeners in France of current environmental challenges, RTL Radio gives them an opportunity to form their own opinion.
As well as making informative programmes, RTL Group is actively involved in heading up a number of other green initiatives.
Hazte Eco from Grupo Antena 3's digital channel Neox is a long-running campaign that aims to put ecology at the forefront of its socially responsible activities. Just before the UN Climate Change Conference in Mexico, they presented 10,000 signatures to the Environment Minister – all from people supporting action on climate change.
Protecting the environment is a subject Bel RTL talks about as often as possible. In 2010 it launched a new initiative to show Belgian listeners easy, practical ways to save energy. RTL Radio

On 'environMINDday', RTL employees in Luxembourg test-drive eco-friendly vehicles

M6's *Capital Terre* visits China to look at the environmental impact of over-fishing

in France also promotes saving energy in its green programming, and draws attention to the fight against global warming on a daily basis – in September it gave listeners a sneak preview of the C-Zéro, France's first electric zero-emission car.
N-TV broadcast an *Energy Day* in November 2010, which focused on the future of power production and renewable energy. N-TV's Managing Director Hans Demmel says, "This is by no means a one-off event. We will continue to devote whole days of broadcasting to the environment and its conservation."
Meanwhile, Vox in Germany broadcast a *Planet Blue – Water Day*, which showed the importance of water as a source of life, habitat and threat. The aim of the day was not just to build awareness and provide information, but also to raise money for a *Water Is Life* project, which funds the construction of dams in India.

"EVERYONE CAN DO MORE TO PROTECT THE ENVIRONMENT IF THEY'RE SO INCLINED."

ELMAR HEGGEN
CHIEF FINANCIAL OFFICER, RTL GROUP

Other initiatives include *Capital Terre*, a new documentary-style magazine about the environment, launched by M6. The first issue looks at our daily consumption, and the ecological consequences this has for the planet, and asks, 'How do we feed seven billion people without destroying the planet?' While in Belgium, RTL-TVI aired a competition called *Tous au Vert*, encouraging viewers to send in their ideas on how to make their neighbourhood a greener, cleaner place to live. Out of 500 ideas, four finalists were chosen to present their ideas to a panel of specialists.
While RTL Group doesn't have all the answers to big questions like this, it's playing an active part in working towards solutions.

OPERATIONS

	TELEVISION		
	FREE-TV	PAY-TV	TV SERVICES
GERMANY	RTL Television 100% Vox 99.7% RTL II 35.9% Super RTL 50% N-TV 100%	RTL Crime 100% RTL Living 100% Passion 100%	CBC 100% Info Network 100%
FRANCE	M6 48.5% W9 48.5% RTL 9[1] 35%	Paris Première 48.5% Téva 48.5%	
NETHERLANDS	RTL 4[1] 73.7% RTL 5[1] 73.7% RTL 7[1] 73.7% RTL 8[1] 73.7%	RTL Lounge[1] 73.7%	
UNITED KINGDOM			
BELGIUM	RTL-TVI[1] 66% Club RTL[1] 66% Plug RTL[1] 66%		
LUXEMBOURG	RTL Télé Lëtzebuerg 100% Den 2. RTL 100%		BCE 100% Enex 76.4%
CROATIA	RTL Televizija 74% RTL 2 (launched on 2 January 2011) 74%		
GREECE	Alpha TV 70%		
SPAIN	Antena 3 21.6% Neox 21.6% Nitro 21.6% Nova 21.6%		
HUNGARY	RTL Klub 67%		
RUSSIA	Ren TV 30%		
NORTH AMERICA			
AUSTRALIA			
ITALY			
SCANDINAVIA			

This chart illustrates the structure of RTL Group's principal businesses and undertakings as at 31 December 2010. The name of each company is followed by an indication of the percentage held directly or indirectly by RTL Group.

RADIO	CONTENT		
	PRODUCTION[2]	RIGHTS[2]	
104.6 RTL Berlins Hit-Radio 100% 105.5 Spreeradio 100% RTL Radio – Die besten Hits aller Zeiten[1] 100% Hit-Radio Antenne Niedersachsen 49.9% Antenne Bayern 16% Radio Hamburg 29.2%	UFA Film & TV Produktion[3] 100% Grundy LE[3] 100% Grundy UFA[3] 100% Phoenix Group[3] 51% Teamworx[3] 100% UFA Cinema[3] 100% UFA Entertainment[3] 100%	Universum Film 100% UFA Sports 75.1%	GERMANY
RTL[1] 100% RTL 2 100% Fun Radio 100% RTL L'Equipe 50%	FremantleMedia France[3] 100% TV Presse[3] 100% 20h50 Television[3] 100%	SND 48.5%	FRANCE
Radio 538 73.7% RTL Lounge 73.7% Radio 10 Gold 73.7%	Blue Circle[3] 100% Four One Media[3] 100% Fremantle Productions[3] 50%	FremantleMedia Operations[3] 100%	NETHERLANDS
	Talkback Thames[3] 100%	FremantleMedia Worldwide[3,4] 100%	UNITED KINGDOM
Bel RTL 44.2% Radio Contact 44.2%	FremantleMedia Belgium[3] 100%		BELGIUM
RTL Radio Lëtzebuerg 100%		CLT-UFA International[4] 100%	LUXEMBOURG
	Fremantle Produkcija[3] 100%		CROATIA
	Fremantle Productions[3] 100% Plus Productions 70%		GREECE
Onda Cero 21.6% Europa FM 21.6%	Fremantle Producciones[3] 100%		SPAIN
			HUNGARY
			RUSSIA
	FremantleMedia North America[3] 100% Original Productions[3] 75% Radical Media[3] 62.5% Ludia[3] 80% Fremantle Productions Latin America[3] 100%		NORTH AMERICA
	FremantleMedia Australia[3] 100%		AUSTRALIA
	Grundy Productions Italy[3] 100%		ITALY
	Blu, Denmark[3] 100% Fremantle Entertainment, Finland[3] 100% Fremantle Sverige, Sweden[3] 100%		SCANDINAVIA

Principal businesses – extended list on pages 194 to 201. (1) Programmes broadcast by CLT-UFA under a Luxembourg license. (2) FremantleMedia has operations in 22 countries, including Brazil, Canada, China, India, Indonesia, Japan, Mexico, Poland, Portugal, Russia, Switzerland, and Turkey. (3) A FremantleMedia company. (4) Global.

HOW WE WORK

RTL Group follows a decentralised business model. In effect, it is an amalgamation of autonomous profit centres, each led by its own CEO. This entrepreneurial approach ensures each individual business can act quickly and flexibly in its local market.

However, the role and business model of every media and entertainment company, whether broadcaster or producer, is evolving rapidly, driven by new technology and consumer uptake of new methods of watching and interacting – think IPTV, mobile TV, video-on-demand, social networking and digital video recorders. "In this dynamic environment, it's important not to underestimate the value of the information we generate and exchange through our network," says Elmar Heggen, Chief Financial Officer of RTL Group. "Each profit centre has much to gain by sharing its own knowledge and experience and absorbing that of colleagues at other profit centres within RTL Group."

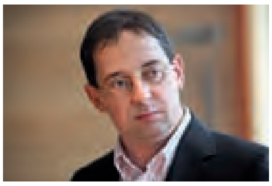
The Group's Corporate Centre in Luxembourg exists to facilitate this co-operation – as well as providing a number of central business functions – and to ensure that, while people work in independent operations, they also see themselves as part of the whole. As Elmar Heggen points out: "RTL Group companies cover a wide geography and a lot of different cultures and customs. It's our role in the Corporate Centre to make the most of this diversity."

The initial forum for discussion and decision is the Operations Management Committee (OMC), where all the profit centre CEOs meet regularly. The OMC identifies specific areas for study by Synergy Committees (Sycos), the next layer down in a classic pyramid structure. The Sycos include relevant specialists from the different profit centres, and meet regularly to exchange ideas. The process allows TV and radio companies who aren't competitors to learn from each other's experiences. Subjects include areas such as programming, news, radio, advertising sales and digital strategy.

"EACH PROFIT CENTRE HAS MUCH TO GAIN BY SHARING ITS OWN KNOWLEDGE."

ELMAR HEGGEN
CHIEF FINANCIAL OFFICER, RTL GROUP

In an increasingly globalised environment, it seems that consumer behaviour from market to market can be very similar. Profit centres can take a model or initiative launched successfully in one market and reproduce it in another, thus ensuring that whenever an opportunity arises in a market, an RTL Group company is well positioned to take advantage.



HOW THE SYCOS WORK

The New Media Syco, just one of six different Synergy Committees, brings people from all around RTL Group together to discuss the latest developments in areas such as social networking, mobile TV and, in its most recent meeting, gaming. As well as presentations and structured debate, the agenda includes working discussions over meals and in break-outs.
"In setting an agenda, we find out what people are interested in, rather than requiring presentations about what everyone has been doing," says Ian McClelland, Head of New Media at RTL Group, who facilitates the New Media Syco.
"The autonomy derived from the Group's decentralised structure leads to empowerment, and that results in innovation," continues Ian McClelland. "The Sycos are a means of spreading this innovation around the Group, which, given the pace of change in my area – new media – is especially important."
At the gaming Syco, 24 delegates, from a variety of business units in seven different countries, met at the London offices of FremantleMedia to discuss all aspects of social gaming and social TV, a growing field where social media meets television, and members of like-minded groups and communities can connect and interact using television. The New Media Syco presentations included a strategic analysis and briefing by Alex Thabet, CEO of Ludia – the video games creator now part of the RTL family – who looked at the future of the casual gaming market, and the potential growth prospects for different businesses within RTL Group.

OPERATIONS MANAGEMENT COMMITTEE (OMC)

GERHARD ZEILER	Chief Executive Officer, RTL Group; Member of the Bertelsmann AG Executive Board
DAWN AIREY	President, CLT-UFA UK TV
CHRISTOPHER BALDELLI	Chief Executive Officer, RTL Radio (France)
ALAIN BERWICK	Chief Executive Officer, RTL Lëtzebuerg
TONY COHEN	Chief Executive Officer, FremantleMedia
PHILIPPE DELUSINNE	Chief Executive Officer, RTL Belgium
VINCENT DE DORLODOT	General Counsel, RTL Group
DIRK GERKENS	Chief Executive Officer, RTL Klub
ALEXANDER GLATZ	Executive Vice President, Strategy & Controlling, RTL Group
BERT HABETS	Chief Executive Officer, RTL Nederland
ELMAR HEGGEN	Chief Financial Officer, Head of the Corporate Centre, RTL Group
OLIVER HERRGESELL	Executive Vice President, Corporate Communications, Public Affairs and Marketing, RTL Group
HANS MAHR	Member of the Supervisory Board of Ren TV; Synergies, RTL Group
CHRISTOPH MAINUSCH	Chief Executive Officer, Alpha TV
ROMAIN MANNELLI	Executive Vice President, Corporate HR, RTL Group
ANDREAS RUDAS	Executive Vice President, Regional Operations & Business Development Central and Eastern Europe, RTL Group
ANKE SCHÄFERKORDT	Chief Executive Officer, Mediengruppe RTL Deutschland and RTL Television
NICOLAS DE TAVERNOST	Président du Directoire, Groupe M6
GERT ZIMMER	Chief Executive Officer, RTL Radio Deutschland
JOHANNES ZÜLL	Chief Executive Officer, RTL Televizija
EDUARDO ZULUETA	Consultant, Managing Director, Mabuat (Spain)

CORPORATE GOVERNANCE

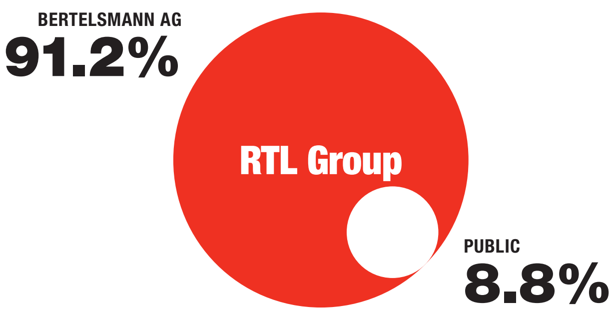
The RTL Group Board of Directors recognises the importance of, and is committed to, high standards of corporate governance. RTL Group has been applying the principles of good governance for years, even before the implementation of The Ten Principles of Corporate Governance issued by the Luxembourg Stock Exchange, principles which RTL Group is in line with and submitted to. A section on the company's website (*RTLGroup.com*) is fully dedicated to this topic and can be found in the 'About us' section. Shareholders have access to the 'RTL Group Charter on Corporate Governance', which contains all the rules of good governance applied by the company.

SHAREHOLDERS

The share capital of the company is set at € 191,900,551 divided into 154,787,554 shares with no par value, each fully paid up.

Shareholding structure of RTL Group as at 31 December 2010

Excluding 0.76 per cent which is held collectively as treasury stock by RTL Group and one of its subsidiaries.



BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

On 31 December 2010 the Board of RTL Group had eight members: one executive director, and seven non-executive directors. The non-executive directors elected at the General Meeting of Shareholders on 21 April 2010 were appointed for a period of one year. The executive director elected at the General Meeting of Shareholders on 19 April 2006 was appointed for a period of five years. The biographical details of the directors are set out on pages 102 to 104. Three of the non-executive directors – Onno Ruding, Jacques Santer and Martin Taylor – are independent of management and other outside interests that might interfere with the exercise of their independent judgement.

The Board of Directors has to review – if requested with the assistance of an expert – that any transaction between RTL Group or any of its subsidiaries and any of the shareholders is on arm's length terms. The responsibility for day-to-day management of the company is delegated to the CEO, but the Board, which meets at least four times a year, has a formal schedule of matters reserved to it including approval of the annual overall Group budget, significant acquisitions and disposals, and the Group's financial statements. The Board of Directors met four times in 2010 – with an average attendance rate of 87.5 per cent – and adopted some decisions by circular resolution on matters presented and discussed at a previous Board meeting.

An evaluation of the Board of Directors' activities, as well as the activities of its committees, was performed in 2008. A new evaluation exercise was launched at the beginning of 2011.

THE FOLLOWING BOARD COMMITTEES ARE ESTABLISHED

Nomination and Compensation Committee

The Nomination and Compensation Committee is made up of four non-executive directors, one of them being an independent director, and meets at least twice a year. The Nomination and Compensation Committee met four times in 2010, with an average attendance rate of 81.25 per cent.

The Nomination and Compensation Committee consults with the CEO on the appointment and removal of executive directors and senior management and determines the Group's compensation policy.

Audit Committee

The Audit Committee is made up of four non-executive directors – two of whom are independent – and meets at least three times a year.

The committee's plenary meetings are attended by the CEO, the CFO and the Head of Internal Audit with or without the external auditors. The Audit Committee met three times in 2010, with an average attendance rate of 83.3 per cent.

The committee reviews the overall risk management and control environment, financial reporting and standards of business conduct.

The Head of Internal Audit and the external auditors have direct access to the Chairman of the Audit Committee.

Directors' fees

In 2010 a total of € 0.53 million (2009: € 0.53 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors and the Committees that emanate from it (see note 10.4 to the consolidated financial statements). Neither options nor loans have been granted to Directors during the year.

Market abuse

The company has taken appropriate measures to ensure compliance with the provisions of the Luxembourg law on market abuse, as well as with the Circulars of the Commission de Surveillance du Secteur Financier (CSSF) concerning the application of this legislation.

HOW WE MANAGE RISKS

By their nature, media businesses are exposed to risk. Television and radio channels can lose audiences rapidly as new competitive threats emerge, with consequent loss of revenue. Broadcasters and producers are also exposed to legal risks, such as litigation by aggrieved individuals or organisations. Moreover, media businesses are more exposed than most to economic cycles – advertising markets are usually among the first to be impacted in an economic downturn. RTL Group's international presence exposes it to further risks, such as adverse currency movements.

RTL Group has robust risk management processes in place, designed to ensure that risks are identified, monitored and controlled. The risk management system and the internal control system are founded on a specific policy and clearly defined set of procedures.

The internal control system process is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

Definition of risk

RTL Group defines a risk as the danger of a negative development arising that could endanger the solvency or existence of a profit centre, or impact negatively on the income statement of the Group.

RISK REPORTING FRAMEWORK

We have developed a framework for the reporting of risks and related controls, in line with good corporate practice.

This framework is based on a number of key principles:

- Comprehensive scope of risk assessment: risks are assessed within a framework of defined key risk categories. Regular risk assessments are undertaken to include a description of the risk, an indication of the potential financial impact, and the approach taken to mitigate the risk.
- Regular reporting: RTL Group's system of internal controls ensures that risks will be addressed, reported and mitigated when they arise. Within the specific risk reporting framework all significant risks are comprehensively assessed and reported to RTL Group management on a bi-annual basis. This ensures that the necessary actions are undertaken to manage, mitigate or offset the risks within the Group.
- Bottom-up approach: we assess risks at the level where they arise – in our operations.
- Harmonised reporting tool: our operations report on their risk assessment and on their internal controls using a common reporting tool, thus ensuring consistency in scope and approach.
- Consolidated Group matrix: we gain a comprehensive view of significant risks for the Group through the consolidation of the local risk assessments and of the local internal controls. A Risk Management Committee, chaired by the CFO and comprising senior Group management, prepares and reviews this consolidated Group risk and internal controls matrices.
- Audit approach: both the processes of local risk assessments and the consolidated Group risk matrix are regularly reviewed by the external auditors.

Going forward

RTL Group's risk management framework is constantly challenged, at both operations and Group level, through the Risk Management Committee, in order to ensure it reflects the risk profile of the Group at any given moment.

RISK MANAGEMENT FRAMEWORK	
1	**Goals and objectives based on company mission**
2	**Risk assessment at operations and headquarters**
3	**Mitigation measures and action plans to control risks**
4	**Risk management reporting**
5	**Consolidation of risk management and internal controls reports and review by Risk Management Committee. Reporting to Audit Committee. Annual consolidation of self-assessment questionnaires on internal controls**
6	**Actions at Group/local level**

TYPE OF RISKS	DESCRIPTION AND AREAS OF IMPACT
EXTERNAL AND MARKET RISKS	
Legal	The local and European media regulations are subject to change. Some changes could alter businesses and revenue streams (for example, a ban on certain types of advertisements, opening of markets, deregulation of markets, cancellation of restrictions, limitation of advertising minutes).
Audience and market share	A decrease in audience and/or market share may have a negative impact on RTL Group's revenue.
Strategic direction	Wrong strategic decisions could lead to potential losses of revenue. Also, wrong strategic investment decisions and overpricing could imply the risk of an impairment of goodwill.
Cyclical development of economy	Economic development directly impacts the advertising market and therefore RTL Group revenue.
MARKET RISKS	
New entrants and market fragmentation	As countries move towards digital switchover, market entry barriers are reduced. New entrants will also provide further choice to the viewer. Higher competition in programme acquisition, fragmentation due to thematic channels, and expansion of platform operators may impact RTL Group's position.
Technological challenges/innovation	New broadcasting technologies becoming more and more important over the coming years (for instance, digital broadcasting, internet, video-on-demand) may imply not only opportunities, but also threats for RTL Group.
RISKS IN KEY BUSINESS	
Customers	Bad debts or loss of customers may negatively impact RTL Group's financial statements.
Suppliers	The supply of certain types of content is limited and may lead to a rise in costs. Over-reliance on one supplier may also cause costs to rise in the long term.
Inventories	There is a risk of over-accumulation of stock that would be unused or could become obsolete. This may imply that write offs/impairments are necessary.
FINANCIAL RISKS	
Foreign exchange exposure	Effective management of foreign exchange risk is an important factor. The operating margin and broadcasting costs are impacted by foreign exchange volatility, especially if there is a strong increase of the USD against the Euro (feature films or sport/distribution rights purchases).

MITIGATION ACTIVITIES

EXTERNAL AND MARKET RISKS

RTL Group tries to anticipate any changes in legislation and to act accordingly by developing and exploiting new revenue sources.

New talent and formats are developed or acquired. Performance of existing shows is under constant review with the aim of driving audience share performance and hence future revenue. Moreover, RTL Group remains constantly proactive in the monitoring of international market trends.

Prudent investment policies are followed, underpinned by realistic and conservative business plans, approval levels being followed ensuring the relevant degree of management 'sign-off', solid valuation models and regular strategic planning sessions. A regular review of strategic options is undertaken ensuring that the strategic course of the Group is well understood and consistent over time.

RTL Group tries to diversify the revenue base through regional expansion as well as new products and services generating non-advertising revenue.

MARKET RISKS

RTL Group's strategy is to embrace new digital opportunities by ensuring its channels and stations are platform neutral (available on the widest possible choice) and that we develop strong families of channels for the digital age based around our leading brands.

RTL Group remains proactive on new technological and broadcasting trends and develops digitalisation activities to offset the removal/loss of analogue activities.

RISKS IN KEY BUSINESS

Credit analysis of all new advertisers is systematically undertaken to prevent such a risk. Depending on the customer's credit worthiness credit insurances may be used. This risk is also mitigated by broadening the advertiser base.

The Group tries wherever possible to diversify its sources of supply. RTL Group benchmarks purchasing terms and conditions to identify best practices with the aim of reducing costs via, for example, joint purchasing. RTL Group selects high quality and solid suppliers for key services or equipment to reduce the risk of bankruptcy of business partners.

RTL Group has strict commercial policies, very close follow-up of existing inventories and strict criteria for approval of investment proposals for rights.

FINANCIAL RISKS

RTL Group has in place a strict policy regarding foreign exchange management, which is monitored and followed up by Group Treasury, using plain vanilla hedge instruments to mitigate volatility on the income statement.

THE BOARD

EXECUTIVE DIRECTOR

GERHARD ZEILER
Chief Executive Officer

Gerhard Zeiler, born in 1955 in Vienna (Austria), joined RTL Group in November 1998 when he was appointed Chief Executive Officer (CEO) of RTL Television in Cologne. In this capacity, Zeiler was responsible for the German RTL family of channels (RTL Television, Vox, RTL II, Super RTL, N-TV). In March 2003 Gerhard Zeiler was additionally appointed CEO of RTL Group.
He handed over the management of RTL Television to Anke Schäferkordt in September 2005 to fully concentrate on RTL Group's international entertainment network. In his function as CEO of RTL Group, Gerhard Zeiler is a member of the Supervisory Boards of Groupe M6 in France and RTL Television in Germany, and a member and Deputy Chairman of the Board of Alpha Media Group in Greece. He has been a member of the Bertelsmann AG Executive Board since October 2005. Gerhard Zeiler began his career as a freelance journalist and then became press spokesman for the Austrian Minister for Education and the Arts, Dr Fred Sinowatz, whom he eventually followed to the Federal Chancellor Office in 1983. Later he continued working in the same capacity for Federal Chancellor Dr Franz Vranitzky. In 1986 he became Secretary-General of the Austrian public broadcaster, ORF, in Vienna. After a two-year period as CEO of Tele 5 and a further two-year period as CEO of RTL II, he was elected Chief Executive Officer of ORF in 1994 and stayed in this position until November 1998.

FIRST APPOINTED: 4 MARCH 2003
RE-ELECTED: 16 APRIL 2006

NON-EXECUTIVE DIRECTORS

SIEGFRIED LUTHER
Chairman

Siegfried Luther, born in 1944, was Chief Financial Officer (since 1990) and Deputy Chairman of the Executive Board (since 2002) of Bertelsmann AG, Gütersloh. He retired at the end of 2005. Between 1974 and 1990 he held various senior positions at Bertelsmann AG in taxes, group accounting and treasury, and corporate finance. He graduated as a doctor of law from the University of Münster (Germany).

Committee membership:
Audit, Nomination and Compensation

Mandates in listed companies:
Non-executive member of the Board of Directors of Compagnie Nationale à Portefeuille SA, Loverval

FIRST APPOINTED: 24 JULY 2000
RE-ELECTED: 21 APRIL 2010

ON 31 DECEMBER 2010, THE RTL GROUP BOARD OF DIRECTORS HAD EIGHT MEMBERS: ONE EXECUTIVE DIRECTOR, AND SEVEN NON-EXECUTIVE DIRECTORS.

MARTIN TAYLOR
Vice-Chairman/Independent Director

Martin Taylor, born in 1952, began his career as a financial journalist with Reuters and the *Financial Times*. He then joined Courtaulds PLC, becoming a director in 1987, and then Chief Executive of Courtaulds Textiles PLC on its demerger in 1990. He moved to Barclays PLC in 1993 as Chief Executive, a post he held until the end of 1998. From 1999 to 2003 he was Chairman of WH Smith PLC, and from 1999 to 2005 International Advisor to Goldman Sachs.

Currently he is Chairman of the Board of Syngenta AG. He has worked on various projects for the British Government and served for five years as a member of its Council for Science and Technology. Appointed as independent, non-executive director in July 2000 (when RTL Group was created), he took over the responsibilities of Vice-Chairman of the Board in December 2004.

Committee membership:
Audit, Nomination and Compensation (Chairman)

Mandates in listed companies:
Chairman of the Board of Syngenta AG (CH)

FIRST APPOINTED: 25 JULY 2000
RE-ELECTED: 21 APRIL 2010

GÜNTHER GRÜGER
Executive Vice President Corporate Controlling and Strategy of Bertelsmann AG

Günther Grüger, born in 1951, is currently Executive Vice President Corporate Controlling and Strategy of Bertelsmann AG. From 1983 until 1997 he held various positions at Bertelsmann. Before joining Bertelsmann he worked in the Corporate Controlling Department of Oetker Group. He holds a diploma and a doctorate in economics from the University of Münster (Germany).

FIRST APPOINTED: 29 AUGUST 2006
RE-ELECTED: 21 APRIL 2010

HARTMUT OSTROWSKI
Chairman of the Executive Board and CEO, Bertelsmann AG

After having studied business administration at the University of Bielefeld, Hartmut Ostrowski, born in 1958, joined Bertelsmann in 1982 as Executive Assistant in what was then Bertelsmann Distribution. A year later, he was head of the credit management division. In 1988, he became Managing Director of a German subsidiary of Security Pacific, at the time the fourth-largest bank in the United States.

In April 1990, he returned to Bertelsmann Distribution as head of a business unit. In July 1992, he was appointed Managing Director, and in July 1995, he became CEO of the newly formed Bertelsmann Services Group.

Hartmut Ostrowski was appointed to the Arvato Executive Board in 1996, and became CEO of Arvato AG and a member of the Bertelsmann AG Executive Board in September 2002. He has been Chairman and CEO of Bertelsmann AG since 1 January 2008.

Committee membership:
Nomination and Compensation

FIRST APPOINTED: 7 DECEMBER 2007
(EFFECTIVE 1 JANUARY 2008)
RE-ELECTED: 21 APRIL 2010

NON-EXECUTIVE DIRECTORS

THOMAS RABE

Member of the Bertelsmann AG Executive Board and Chief Financial Officer of Bertelsmann AG

Thomas Rabe, born in 1965, holds a diploma and a doctorate in economics from the University of Cologne (Germany). He started his career in 1989 at the European Commission in Brussels. From 1990 to 1996 he held various senior positions at Forrester Norall & Sutton (now White & Case) in Brussels as well as the state privatisation agency Treuhandanstalt and a venture capital fund in Berlin. In 1996, he joined Cedel International (Clearstream, following the merger with Deutsche Börse Clearing) where he was appointed Chief Financial Officer and member of the Management Board in 1998.

In 2000, Thomas Rabe became Chief Financial Officer and member of the Executive Committee of RTL Group. In March 2003 he was also appointed Head of the Corporate Centre with responsibility for the Luxembourgish activities of RTL Group. He has been Chief Financial Officer and Head of the Corporate Centre of Bertelsmann AG since January 2006.

Committee membership:
Audit, Nomination and Compensation

Mandates in listed companies:
Member of the Supervisory Boards of Symrise AG, Holzminden; IKB Deutsche Industriebank AG, Düsseldorf.

FIRST APPOINTED: 12 DECEMBER 2005 (EFFECTIVE 1 JANUARY 2006)
RE-ELECTED: 21 APRIL 2010

ONNO RUDING

Chairman of the Board of the Centre for European Policy Studies; Independent Director

Born in 1939, Onno Ruding served as the Minister of Finance of The Netherlands for the Christian Democratic Party (CDA) from November 1982 until November 1989. In July 1990, he became Vice-Chairman of Citicorp, and in March 1992, he was appointed Vice-Chairman of Citicorp/Citibank in New York. He retired in September 2003.

In January 2002, he became Chairman of the Board of the Centre for European Policy Studies (CEPS) in Brussels, the largest independent think-tank in Europe, addressing subjects related to European integration.

Committee membership:
Audit (Chairman)

Mandates in listed companies:
Member of the Board of Directors of Corning

FIRST APPOINTED: 12 SEPTEMBER 2000
RE-ELECTED: 21 APRIL 2010

JACQUES SANTER

Chairman of the Board of CLT-UFA; Independent Director

Before Jacques Santer, born in 1937, became Chairman of the Board of CLT-UFA in May 2004, his distinguished career covered a variety of political roles including Member of the European Parliament (1974 to 1979 and 1999 to 2004), Prime Minister of Luxembourg (1984 to 1995) and President of the European Commission (1995 to 1999).

FIRST APPOINTED: 9 DECEMBER 2004
RE-ELECTED: 21 APRIL 2010

EXECUTIVE COMMITTEE

GERHARD ZEILER
Chief Executive Officer

Further to his roles as Executive Director and CEO of RTL Group, Gerhard Zeiler is in charge of programme and synergies throughout all operations. He oversees the operations in Germany (television), France (television), Greece and FremantleMedia. RTL Group Corporate Communications & Marketing also reports to him, as does Human Resources, which also reports to the CFO.

ELMAR HEGGEN
Chief Financial Officer
and Head of the Corporate Centre

Elmar Heggen, born in 1968, holds a diploma in business administration from the European Business School, and graduated as Master of Business Administration (MBA) in finance. In 1992, he started his career at the Felix Schoeller Group, becoming Vice President and General Manager of Felix Schoeller Digital Imaging in the UK in 1999. Elmar Heggen first joined the RTL Group Corporate Centre in 2000 as Vice President Mergers and Acquisitions. In January 2003, he was promoted to Senior Vice President Controlling and Investments. From July 2003 until December 2005 he was Executive Vice President Strategy and Controlling.

Since January 2006, Elmar Heggen has served on the RTL Group Executive Management team, and since 1 October 2006 he has been CFO and Head of the Corporate Centre of RTL Group. In this capacity, he controls Finance, Strategy and Business Development, Online Strategy, and Legal. He also oversees the operations in the Netherlands, France (radio), Luxembourg, Spain and UFA Sports.

Mandates in listed companies:
Member of the Board of Directors of Regus Plc, London

ANDREAS RUDAS
Executive Vice President, Regional Operations & Business Development Central and Eastern Europe

Andreas Rudas, born in 1953, worked with the Austrian public broadcaster ORF from 1986 to 1997, as Secretary-General from 1994 to 1997. In this role, he was responsible for business planning, media politics, marketing and satellite broadcasting. Starting in 2000, he held various positions at Magna International Europe, and was a member of the Management Board from 2001 to 2005. Since December 2005, Andreas Rudas was Executive Director of WAZ Ost Holding (a subsidiary of WAZ Media Group), responsible for Austria, South Eastern Europe and Vietnam.

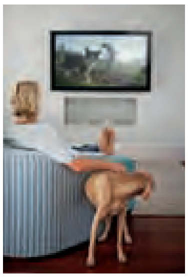
Andreas Rudas was appointed a new member of the RTL Group Executive Committee with effect from 1 January 2009. In this capacity, he oversees the operations in Belgium, Croatia, Hungary, Russia, and Germany (radio), and explores business opportunities in Central and Eastern Europe, and in Asia.

The Executive Committee keeps the Board of Directors informed on the results of the Group and its main profit centres on a regular basis. The compensation of the members of the Executive Committee is determined by the Nomination and Compensation Committee, and is composed of a fixed and a variable part (see note 10.3. to the consolidated financial statements). Some members of the Executive Committee also benefit from the Company's share option programme, established by the Board of Directors on 25 July 2000. During 2010, none of the members of the Executive Committee exercised any option (see note 8.15.7. to the consolidated financial statements) and no additional options or loans were granted.

CREDITS

“Commercial television has enriched the TV landscape. Three channels simply weren’t enough.”

ANDREAS (36)
BERLIN / GERMANY



“TV certainly is a form of escapism for me. *The Farmer Wants A Wife* is such a positive programme.”

SARAH (42)
SYDNEY / AUSTRALIA

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Ringzwei, Hamburg

PRODUCTION
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Produktionsschmiede GmbH, Hamburg
Die Bildproduktion GmbH, Hamburg

PRINT
Eurocaribe Druck und Verlag GmbH, Hamburg

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PHOTOGRAPHY

Front cover: *Felix Brüggemann*
Back cover: *Paul Barbera*
Getty Images/Hauke Dressler
Front fold out: *Anna Bauer*
Back fold out: *Jonas Unger*

3 Isabella Rozendaal/Unit CMA
DPA/ANP
6 Felix Brüggemann
8, 10, 12 Paul Schirnhofer
17 Paul Barbera
18-19 Tamas Dezso
20 Jonas Unger
Anna Bauer
21 David Klammer/Laif
22-23 Claudius Schulze/Laif
24 Jonas Unger
25 Enver Hirsch
26 Paul Barbera
27 Tamas Dezso
28 Felix Brüggemann
29 Tamas Dezso
30 Claudius Schulze/Laif
31 David Klammer/Laif
34 Jonas Unger
35 Isabella Rozendaal/Unit CMA
36 Jonas Unger
37 Felix Brüggemann
38 Tamas Dezso
39 Stefan Gregorowius
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Paul Barbera
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51 David Klammer/Laif
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Radical Media (2)
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61 Groupe M6
62 RTL Televizija
Roy Beusker/RTL Nederland
63 Antena 3
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Groupe M6
65 Getty Images
66 Dirk Schwarz
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72 Abacapress.com/
Charriau-Guibbaud-Mousse-
Orban-Nebinger
Alpha TV
73 RTL Radio Deutschland
RTL Lëtzebuerg
74 DDP images/Sascha Schürmann
75 BCE
76 Mediengruppe RTL Deutschland
77 Action Press/Stefan Gregorowius
78 RTL-TVI
79 RTL Televizija (2)
RTL Klub
80 RTL Television/
Stefan Gregorowius
RTL Radio (France)
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Stan Honda
81 Action Press/Franziska Krug
Asian Television Awards
DPA/Eventpress
Gisela Schober/BrauerPhotos
Getty Images/Kevin Winter
82 Getty Images for PCA/
Frazer Harrison
DPA/Geisler-Fotopress
WDR/Herby
Sachs/Max Kohr (2)
83 RTL Group
84-86 RTL Television/
Stefan Gregorowius (3)
87 Fox Broadcasting
RTL Group
88 Unicef/Steven Pan
89 RTL Group
90 Groupe M6/Alberto Bocos Gil
91 Reuters/J. Eisele
RTL Group
FTSE4Good
Mediengruppe RTL Deutschland
92 RTL Radio (France)
Julia Pfaller
93 Julia Pfaller
Groupe M6/Antoine Gyori
RTL Group
96-97 Paul Schirnhofer
102-105 RTL Group, Paul Schirnhofer
106 Felix Brüggemann, Paul Barbera
112-132 RTL Group, Paul Schirnhofer

FURTHER INFORMATION

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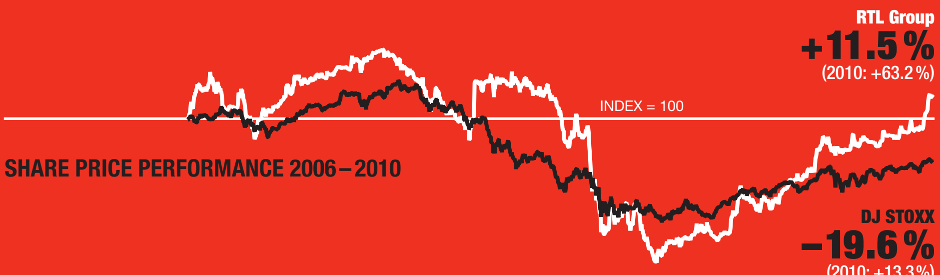
RTLGroup.com

KEY FIGURES 2006–2010



REVENUE (€ million)

10	5,591
09	5,156*
08	5,774
07	5,707
06	5,640

+8.4%

*Re-presented following the application of IFRS 5 to Five (discontinued operations)

MARKET CAPITALISATION (€ billion)

10	11.9
09	7.3
08	6.6
07	12.5
06	13.1

+63.2%

EBITA (€ million)

10	1,111
09	796*
08	916
07	898
06	851

+39.6%

*Re-presented following the application of IFRS 5 to Five (discontinued operations)

TOTAL DIVIDEND PER SHARE (€)

10	5.00
09	3.50
08	3.50
07	5.00
06	3.00

Dividend payout 2006–2010: €3.1 billion

EQUITY (€ million)

10	5,597
09	5,530
08	5,871
07	6,448
06	6,151

+1.2%

ADJUSTED EARNINGS PER SHARE[1] (€)

10	4.23
09	2.85
08	3.87
07	3.54
06	3.52

+48.4%

SHAREHOLDING STRUCTURE[2] 31 December 2010

RTL Group		
	BERTELSMANN AG	91.2%
	PUBLIC	8.8%

[1] *Adjusted earnings per share represents the net profit for the year adjusted for impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions, gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree, net of income tax expense and one-off tax effects*

[2] *Excluding 0.76% which is held collectively as treasury stock by RTL Group and one of its subsidiaries*

DIRECTORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT

DIRECTORS' REPORT

HIGHLIGHTS

The Directors are pleased to present their report to the shareholders, with details on the businesses and the development of the Group, together with the consolidated financial statements for the year ended 31 December 2010 on pages 139 to 201.

	Year to December 2010 €m	Year to December 2009[1] €m	Per cent change
Revenue	**5,591**	**5,156**	**+8.4**
Underlying revenue[2]	**5,464**	**5,142**	**+6.3**
Reported EBITA[3]	**1,111**	**796**	**+39.6**
Restructuring charges	–	25	
Start-up losses[4]	23	32	
Adjusted EBITA	**1,134**	**853**	**+32.9**
Reported EBITA margin (%)	**19.9**	**15.4**	
Adjusted EBITA margin (%)	20.3	16.5	
Reported EBITA	**1,111**	**796**	**+39.6**
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions	(63)	(89)	
Loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(7)	–	
Net financial income	14	27	
Income tax expense, of which:	(268)	(234)	
– Current tax expense	(239)	(201)	
– Deferred tax expense	(29)	(33)	
Profit for the year from continuing operations	**787**	**500**	**+57.4**
Loss for the year from discontinued operations	(57)	(202)	
Profit for the year	**730**	**298**	
Attributable to:			
– Non-controlling interests	119	93	
– RTL Group shareholders	**611**	**205**	**+198.0**
Basic EPS continuing operations (in €)	**4.34**	**2.64**	
Basic EPS discontinued operations (in €)	(0.36)	(1.31)	
Reported EPS (in €)	**3.98**	**1.33**	
Adjusted EPS (in €)[5]	**4.23**	**2.85**	
Proposed/paid total dividend per share (in €)	**5.00**	**3.50**	**+42.9**

1 Re-presented following application of IFRS 5 to Five (discontinued operations)
2 Adjusted for Radical Media, RTL Klub in Hungary, other minor scope changes and at constant exchange rates
3 EBITA (continuing operations) represents earnings before interest and income tax expense excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree
4 Primarily Alpha TV in Greece
5 Adjusted earnings per share represents the net profit for the year adjusted for impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions, gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree, net of income tax expense and one-off tax effects

RTL Group headlines

- Reported Group revenue up 8.4 per cent to €5,591 million as TV advertising markets across Western Europe grew strongly year-on-year
- EBITA up 39.6 per cent to €1,111 million, a new record level, €195 million better than the best result so far; this performance was particularly driven by Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland and RTL Belgium
- Reported EBITA margin of 19.9 per cent (2009: 15.4 per cent); the EBITA margins of the four big broadcasting operations – Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland and RTL Belgium – improved significantly
- Net profit attributable to RTL Group shareholders almost tripled to €611 million from €205 million in 2009
- Net cash from operating activities was €1,130 million, resulting in an operating cash conversion of 110 per cent and a net cash position of €1,456 million at the end of 2010
- Proposed dividend for 2010 of €5.00 per share, based on RTL Group's improved financial performance and robust treasury position (for 2009: dividend of €3.50 per share)

Profit centre highlights

- Mediengruppe RTL Deutschland increased its clear audience leadership over main competitor ProSiebenSat1 to 5.3 percentage points and outperformed a significantly growing TV advertising market; EBITA up 50.5 per cent to €551 million
- Groupe M6 in France showed EBITA growth across all its activities; EBITA up 25.6 per cent to €245 million
- RTL Nederland scored its best ratings since 1999; EBITA up 52.8 per cent to €110 million, driven by significantly higher advertising sales
- RTL Group's production arm FremantleMedia reported revenue growth of 7.5 per cent, driven by higher revenue in North America and France plus portfolio and exchange rate effects; FremantleMedia's EBITA amounted to €140 million
- EBITA of RTL Belgium up 25.0 per cent to €45 million
- RTL Radio in France reporting EBITA growth of 60.0 per cent, reaching €24 million

A disciplined approach to portfolio management, Five sold

- In July, RTL Group sold its UK broadcaster Five to the Northern & Shell company owned by British publisher Richard Desmond. The total cash consideration paid to RTL Group for its 100 per cent shareholding in Five was €118 million
- Targeted acquisitions to strengthen FremantleMedia's business portfolio and international presence
  - October: acquisition of a 62.5 per cent share in Radical Media, the company's first large scale move into the branded entertainment market
  - October: acquisition of a further 51 per cent stake in Ludia, a leading developer and publisher of interactive casual games, increasing FremantleMedia's shareholding to 80 per cent
  - April: takeover of the Netherlands-based independent production company Four One Media
  - March: acquisition of the remaining 25 per cent of the production company Blu, the market leader in Denmark and Sweden, taking FremantleMedia's ownership to 100 per cent
- In September, the Croatian Electronic Media Council granted RTL Televizija a concession for a new specialised channel, named RTL 2; the new channel went on air in January 2011
- In September, Grupo Antena 3 launched a third digital channel, Nitro

RTL Group's new media activities growing strongly

- RTL Group's online platforms and on-demand offers across Europe collectively generated more than 1.4 billion video views of professionally produced content – up 46 per cent year-on-year
- Total online advertising revenue up 41 per cent year-on-year, driven by video advertising
- Ongoing extension of RTL Group's online and mobile video services
  - August: launch of a new catch-up TV service in Germany (Super RTL Now)
  - End of September, M6 Web launched 'Pass Séries VIP', a unique subscription service in Europe which gives viewers access to popular US TV series the day after they are broadcast in the United States
  - In October, M6 launched its I-Phone and I-Pad app that offers the channel live, as well as catch-up TV services and behind-the-scenes videos
  - In October, RTL Nederland launched *RTLXL.nl*, a new, centralised platform for its video-on-demand services, including the catch-up TV service, films, series and promotional content
  - In total, RTL Group companies have launched more than 60 mobile applications registering 10 million downloads to date
- Pay-TV channels in Germany, France and the Netherlands are operating at a profit

REVENUE

Advertising market conditions in 2010 were extremely good in the Group's main European markets. Most of these territories reported double digit growth following the severe declines seen in 2009. The exceptions remain Eastern Europe, which is still struggling to shake off the worst of the economic and financial crisis, and Greece, which continues to be extremely challenging.

A summary of RTL Group's key markets is shown below, including estimates of net advertising market growth rates and net advertising market shares, plus the audience share of the main target audience group.

	2010 net TV advertising market growth rate (in per cent)	**RTL Group advertising market share 2010 (in per cent)**	RTL Group advertising market share 2009 (in per cent)	**RTL Group audience share in main target group 2010 (in per cent)**	RTL Group audience share in main target group 2009 (in per cent)
Germany	+9.1[6]	44.0	43.5	35.0[7]	34.4[7]
France	+10.0[8]	23.3	23.0	21.7[9]	21.9[9]
Netherlands	+10.6[6]	41.2	38.7	33.0[10]	31.7[10]
Belgium	+11.6[6]	71.9	72.0	38.3[11]	38.9[11]
Spain	+4.0[12]	27.9	24.7	16.9[13]	17.6[13]
Hungary	(3.2)[6]	48.5	46.7	29.1[14]	30.7[14]
Greece	(23.8)[6]	16.7	14.6	13.8[15]	13.7[15]
Croatia	(4.4)[6]	41.2	42.0	24.5[16]	26.2[16]

6 Industry/IREP and RTL Group estimates
7 Target group: 14–49
8 Source: Groupe M6 estimate
9 Target group: housewives under 50 (including digital channels)
10 Target group: 20–49, 18–24h
11 Target group: shoppers 18–54, 17–23h
12 Source: Infoadex and Grupo Antena 3 estimate
13 Target group: 16–54 (including digital channels)
14 Target group: 18–49, prime time
15 Target group: 15–44
16 Target group: 18–49

Revenue increased by 8.4 per cent to €5,591 million (2009: €5,156 million). On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was up 6.3 per cent, or €322 million, to €5,464 million.

EBITA

Reported EBITA increased by 39.6 per cent to €1,111 million (2009: €796 million) thanks to record levels of profitability in several business units, namely Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland and RTL Belgium.

Group operating expenses were up 3.3 per cent at €4,577 million in 2010 compared to €4,429 million in 2009. On a constant scope basis, costs were up €95 million, or 2.1 per cent.

REVIEW BY SEGMENTS

Revenue	Year to December 2010 €m	Year to December 2009* €m	Per cent change	Per cent of total 2010
Mediengruppe RTL Deutschland	1,892	1,732	+9.2	33.8
Groupe M6	1,459	1,377	+6.0	26.1
FremantleMedia	1,272	1,183	+7.5	22.8
RTL Nederland	429	371	+15.6	7.7
RTL Belgium	219	203	+7.9	3.9
French radio	182	174	+4.6	3.3
Other segments	353	313	+12.8	6.3
Eliminations	(215)	(197)	+9.1	(3.9)
Total revenue	**5,591**	**5,156**	**+8.4**	**100.0**

EBITA	Year to December 2010 €m	Year to December 2009* €m	Per cent change	Per cent of total 2010
Mediengruppe RTL Deutschland	551	366	+50.5	49.6
Groupe M6	245	195	+25.6	22.1
FremantleMedia	140	155	(9.7)	12.6
RTL Nederland	110	72	+52.8	9.9
RTL Belgium	45	36	+25.0	4.0
French radio	24	15	+60.0	2.2
Other segments	(4)	(43)	n.a.	(0.4)
Reported EBITA	**1,111**	**796**	**+39.6**	**100.0**

* *Re-presented as Five shown as a discontinued operation due to application of IFRS 5*

MEDIENGRUPPE RTL DEUTSCHLAND

Financial results

With TV advertising revenue up 10.4 per cent, Mediengruppe RTL Deutschland outperformed the German TV advertising market – estimated to have grown by 9.1 per cent – and increased its combined net share (including RTL II) to 44.0 per cent (2009: 43.5 per cent).

Overall revenue of Mediengruppe RTL Deutschland grew by 9.2 per cent to € 1,892 million (2009: € 1,732 million) as the profit centre's rights trading company, Universum Film, reported lower revenue in 2010, following the exceptional performance of 2009.

The profit centre's EBITA soared 50.5 per cent to € 551 million (2009: € 366 million), mainly reflecting significantly higher advertising sales, but also comprehensive cost savings, initiated in 2009.

	Year to December 2010 €m	Year to December 2009 €m	Per cent change
Revenue	**1,892**	**1,732**	**+9.2**
Adjusted EBITA	**551**	**374**	**+47.3**
Restructuring costs	–	(8)	n.a.
EBITA	**551**	**366**	**+50.5**

"2010 was an exceptional year for us. As a unit we delivered not only record ratings – clearly ahead of our private and public competitors – but also record financial key figures, all thanks to my team. That's simply amazing."

Anke Schäferkordt,
CEO, Mediengruppe RTL Deutschland and RTL Television

Audience ratings

Despite the fact that 55 of the 64 matches of the highly popular football World Cup were broadcast on the public channels, the combined average audience share of **Mediengruppe RTL Deutschland** in the key 14 to 49 target group increased to 35.0 per cent (2009: 34.4 per cent) – a new record level. As a result, the RTL family of channels increased its audience leadership over its main commercial competitor, ProSiebenSat1, to 5.3 percentage points.

RTL Television — **TV audience share** 2006–2010 (%)

Source: GfK. Target: 14–49.

10	**18.1**
09	16.9
08	15.7
07	16.0
06	15.6

This improvement was mainly driven by the flagship channel **RTL Television**, which was the number one choice among young viewers by a large margin, and for the 18th consecutive year. With an 18.1 per cent audience share (2009: 16.9 per cent) in its main target group, the channel achieved its best result since 2003, coming in 6.5 percentage points ahead of the number two commercial channel, ProSieben (11.6 per cent). RTL Television also became the market leader in terms of total audience share (13.6 per cent), for the first time since 2003.

The channel scored high ratings across all time slots and genres, from entertainment shows, news and live sporting events, to factual entertainment formats, daily soaps, movies and drama series. The afternoon line-up of docu-soaps and scripted docu programmes – introduced in the second half of 2009 – has led to a significant ratings increase in the target audience between 14:00 and 17:00, up 8.0 percentage points year-on-year to 23.5 per cent.

The channel's most-watched programme in 2010 was the live broadcast of the boxing match between Vitali Klitschko and Shannon Briggs on 16 October 2010, which attracted 13.5 million viewers and proved to be the channel's most popular boxing broadcast in the past three years. Live broadcasts of the 19 Formula 1 races in the reporting period reached an average audience of 6.3 million viewers – an increase of 20.5 per cent compared to 2009. The final race in Abu Dhabi alone was watched by 10.2 million viewers. RTL Television broadcast nine football World Cup matches – all of which achieved excellent ratings – with an average audience of 9.5 million viewers, representing an average total audience share of 33.2 per cent.

Once again, RTL Television was particularly successful in prime time (20:15 to 23:15), where the channel led the market in nearly every time slot, thanks to its big entertainment shows and strong line-up of factual entertainment formats and drama series. Overall, the channel achieved an average prime time audience share of 18.4 per cent in the 14 to 49 target group (2009: 18.6 per cent).

The seventh season of *Deutschland sucht den Superstar* (Idols) was the most successful since the talent show's first season in 2003, scoring an average audience share of 32.5 per cent in the 14 to 49 age group. The fourth season of *Das Supertalent* (Got Talent) set new ratings records with up to 8.5 million viewers and an average audience share of 37.4 per cent among young viewers.

Following the success of *Doctor's Diary*, *Lasko* and the long-running *Alarm für Cobra 11*, RTL Television established another German series in prime time: the first season of *Countdown – Die Jagd beginnt* achieved an average audience share of 17.3 per cent among young viewers. The most popular US series on German television were again broadcast by RTL Television, including *Dr. House* and *CSI: Miami*. Other audience favourites in prime time included real-life formats such as *Bauer sucht Frau* (The Farmer Wants A Wife) and *Rachs Restaurantschule*, comedy shows such as *Cindy aus Marzahn & Die jungen Wilden* and *Willkommen bei Mario Barth*, plus the long-running quiz show *Wer wird Millionär?* with Günther Jauch.

For the 18th consecutive year, RTL Television's main news programme, *RTL Aktuell*, was way ahead of the competition among young viewers, with an average audience share of 19.9 per cent. The show also scored a higher total audience share (18.2 per cent) than the main news programme of the public channel ZDF, *Heute* (16.6 per cent).

Vox **TV audience share**

Source: GfK. Target: 14–49. 2006–2010 (%)

Vox's audience share in the target group of 14 to 49-year-old viewers increased to 7.7 per cent (2009: 7.5 per cent), the second-best audience share in the channel's history.

In 2010, Vox added a new genre to its programme schedule, airing the first season of the German version of the international hit format *X Factor*. The opening two shows were broadcast on the flagship channel RTL Television, to reach a wide audience and create a buzz for the talent show. The subsequent auditions and live shows broadcast on Vox scored an average audience share of 11.8 per cent among young viewers aged 14 to 49, exceeding the channel's average audience share by 53 per cent. *X Factor* was particularly popular with the young female audience (average share among female viewers aged 14 to 29: 21.7 per cent) and also brought Vox many website hits, online video views, and a fast-selling I-Phone app.

As well as quality US series such as *CSI: NY*, *Criminal Intent*, *Law & Order: Special Victims Unit* and *Crossing Jordan*, Vox launched the new series *Lie To Me* in March. With an audience share of 17.6 per cent among young viewers, the series proved to be the highest-rated start of a new US series on German TV in 2010. The newly launched docu-soap *Daniela Katzenberger – natürlich blond* reached an average audience share of 11.7 per cent among viewers aged 14 to 49. The prime time format was aired right after *X Factor*. Vox's blockbuster movies again proved popular in 2010, drawing 18.1 per cent of 14 to 49-year-old viewers for *Van Helsing* and *Terminator 2: Judgement Day* and 17.7 per cent for *Harry Potter and the Philosopher's Stone*.

The daily docu-soap *Mieten, kaufen, wohnen* (Renting, buying, living) scored an average audience share of 8.7 per cent in the target group. Broadcast in the 18:00 time slot, the format has become a powerful lead-in to access prime time, followed by the audience favourite *Das perfekte Dinner* (Come Dine With Me) and the daily edition of the celebrity news magazine *Prominent!*, which began in January 2010 and is particularly popular among women aged 30 to 49. Other in-house productions achieving high ratings included the car magazine *Auto Mobil*, the pet magazine *Hundkatzemaus*, the coaching series *Der Hundeprofi* (The Dog Professional) and the real-life format *Auf und davon – Mein Auslandstagebuch* (Up And Away – My Diary Abroad). With its four-hour long documentaries examining topics such as the life of Michael Jackson, Vox has established a unique programming strand on Saturday evenings.

RTL II **TV audience share**

Source: GfK. Target: 14–49. **2006–2010 (%)**

10	**6.0**
09	6.2
08	6.1
07	6.3
06	6.0

RTL II achieved a 6.0 per cent audience share in the 14 to 49 target group, slightly down from 6.2 per cent in 2009. Based on its brand positioning strategy ("It's fun.") the channel has established comedy and quiz shows as new genres in its schedule. The ensemble comedy show *Fun Club – Comedystars live*, in which well-known performers share the stage with unknowns and newcomers, scored an average audience share of 6.4 per cent among young viewers. The five prime time quiz shows – which covered topics such as *The IQ test*, *The 80s test* and *The love test* – attracted an average audience share of 7.4 per cent in the target group.

By introducing *X Diaries – love, sun & fun*, RTL II was the first channel to apply the current trend of scripted reality formats to access prime time. The format achieved an average audience share of 6.7 per cent among young viewers. Other key elements of the channel's programme grid were popular docu-soaps, such as *Frauentausch* (Wife Swap) and *Die Kochprofis – Einsatz am Herd*, and the tenth season of the iconic reality show *Big Brother* (average audience share 14 to 49: 8.6 per cent).

By airing the programme *Tatort Internet – Schützt endlich unsere Kinder* (Crime Scene: Internet – Protect Our Children), RTL II triggered a public debate and raised awareness of the dangers that children face on the internet. The channel aired the report in ten episodes in prime time. On average, the programme attracted 6.7 per cent of the 14 to 49-year-old target demographic, rising to 10.1 per cent among 14 to 29-year-olds.

The channel's contribution to RTL Group's EBITA increased to €14 million from €9 million in 2009, reflecting higher advertising revenue.

Super RTL **TV audience share**

Source: GfK. Target: 3–13 (6–20:15h). **2006–2010 (%)**

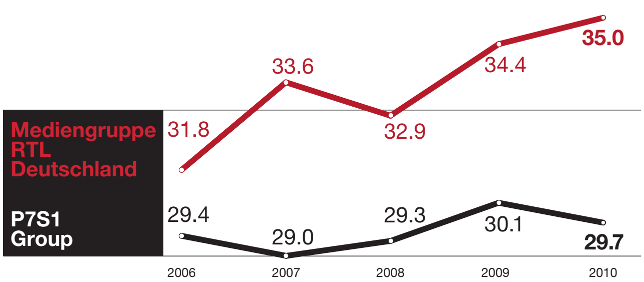
10	**22.8**
09	24.2
08	23.2
07	26.3
06	27.5

With an audience share of 22.8 per cent in the target group of 3 to 13-year-olds between 06:00 and 20:15 (2009: 24.2 per cent), **Super RTL** remained well ahead of its two competitors, Kika (20.2 per cent) and Nickelodeon (12.6 per cent). The channel has been the clear leader in the German children's television market for 12 consecutive years.

Super RTL's pre-school strand, *Toggolino*, scored high ratings with formats such as *Chuggington*, *Wow! Wow! Wubbzy!* and *Timmy, das Schäfchen*. In access prime time, live-action formats such as Disney's *Hannah Montana* and *Hotel Zack & Cody* continued to perform well. Highest performing shows

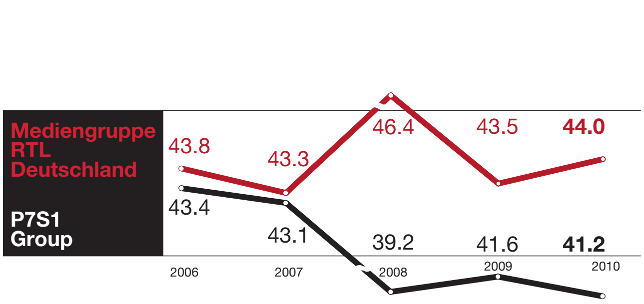
TV audience share

Source: GfK. Target: 14–49. **2006–2010 (%)**



TV advertising share

Source: RTL Group estimates. **2006–2010 (%)**



in prime time included background magazines for popular RTL Television entertainment shows such as *Das Supertalent – Backstage* and *DSDS – Das Magazin*, and family-oriented programmes such as animated movies. The channel increased its advertising revenue from prime time programming by 20 per cent, reducing its reliance on the advertising market for children's products.

At the end of 2009, Super RTL acquired the online learning portal Scoyo and integrated the service in its online portfolio. Based on business development and a growing subscriber base, Scoyo reached break-even at the end of 2010.

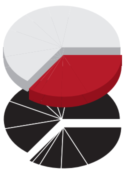
The news channel **N-TV** reported a stable average audience share of 1.0 per cent among viewers aged 14 to 49. Whenever and wherever news broke, viewers relied on N-TV, which aired around 900 special news bulletins throughout 2010, including the miners' rescue in Chile, the earthquake in Haiti, the tragedy during the Loveparade in Duisburg, and snow chaos in Germany.

Programmes investigating the effects of the crisis in Greece on the international financial markets attracted many viewers to N-TV. In 2010, the stock exchange programmes *Märkte am Morgen* and *Telebörse* attracted audience shares of up to 5.3 per cent and 4.4 per cent respectively. The channel also scored good ratings in prime time with documentaries such as *Apokalypse der Urzeit* and *Giganten der Moderne: Wolkenkratzer*.

The profit centre's three special-interest digital channels – **RTL Crime**, **RTL Living** and **Passion** – continued to grow steadily and are among the leading pay-TV channels in Germany, Austria and Switzerland, with over 3 million subscribing households.

National audience breakdown

Source: GfK. Target: 14–49.



	2010 (%)
RTL Television	**18.1**
Vox	**7.7**
RTL II	**6.0**
Super RTL	**2.2**
N-TV	**1.0**
Pro 7	11.6
Sat 1	10.7
ARD	7.3
ZDF	6.7
Kabel 1	6.2
Others	22.5

New media and diversification activities

RTL Interactive is responsible for diversification activities within Mediengruppe RTL Deutschland, including digital content and services. During 2010, consumption of TV content across new platforms such as on-demand services and mobile applications grew strongly.

The catch-up TV service RTL Now registered 180 million long-form video views – complete episodes of series or shows – up 32 per cent year-on-year. Vox Now, launched in July 2009, reported 29 million video views in the reporting period. At the end of August 2010, RTL Interactive launched the third catch-up TV platform, Super RTL Now.

Combining these on-demand platforms with the clip portal *Clipfish.de* and the unit's channel and thematic websites, such as *RTL.de*, *Vox.de* and *Vip.de*, the number of video views of professionally produced content increased by 67 per cent to 571 million. Proving that popular TV content is a major growth driver on the internet, *Deutschland sucht den Superstar* (Idols) alone more than doubled the number of video views across all portals, to 85 million. Video views on the channel website *RTL.de* – relaunched at the end of 2009 – increased by a massive 74 per cent year on year. With an average of 10.3 million unique users per month, *RTL.de* remained the leading TV portal by a large margin, and one of Germany's most popular infotainment sites.

In 2010, Mediengruppe RTL Deutschland launched many new sites and applications for smartphones and tablet PCs. The profit centre's mobile apps had been downloaded 4.8 million times by the end of 2010, and the mobile platforms generated 28.3 million video views. The apps provide 24-hour live access to RTL Television's linear schedule via the RTL app, time-shifted viewing of entire programmes with the RTL Now app, and short video clips of TV and music highlights from the Clipfish app.

Also very popular among users are apps that tie in to strong format brands such as *Deutschland sucht den Superstar* (Idols), *Das Supertalent* (Got Talent) and *Wer wird Millionär?* (Who Wants To Be A Millionaire), which, having generated 1.6 million downloads, was listed as a leading free games app in Apple's Top Apps 2010.

Mobile applications from the news channel N-TV collectively generated 425 million page impressions in 2010. Since their respective launches, the various N-TV apps have been downloaded over 1.6 million times. The N-TV I-Phone app was listed as the most popular free news app in Apple's all time top 30.

At the end of 2010, the social network *Wer-kennt-wen.de* had 9.0 million registered members – up from 7.3 million at the end of 2009.

GROUPE M6

Financial results

In 2010, reported revenue of Groupe M6 increased by 6.0 per cent to €1,459 million (2009: €1,377 million).

Advertising revenue at the M6 main channel increased 10.7 per cent, while the company's digital channels continued to grow strongly – up 14.8 per cent year on year – mainly driven by the strong performance of the free digital channel, W9. In an overall net TV advertising market estimated to be up 10.0 per cent, Groupe M6's share increased to 23.3 per cent (2009: 23.0 per cent).

The group's diversification and audiovisual rights activities reported a slight decrease, as higher revenue from the company's homeshopping, online and licensing activities were compensated by lower revenue from the football club Girondins de Bordeaux, which did not qualify for European competition in the 2010/11 season.

Based on significantly higher profit contributions from all main activities, reported EBITA of Groupe M6 was up 25.6 per cent to €245 million (2009: €195 million), resulting in a significantly improved operating margin of 16.8 per cent (2009: 14.2 per cent).

	Year to December 2010 €m	Year to December 2009 €m	Per cent change
Revenue	**1,459**	**1,377**	**+6.0**
Adjusted EBITA	**245**	**199**	**+23.1**
Restructuring costs	–	(4)	n.a.
Reported EBITA	**245**	**195**	**+25.6**

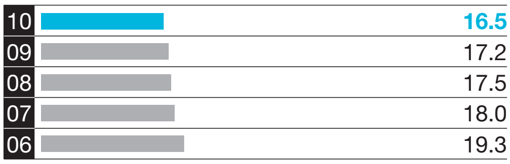
Audience ratings

Today, 96 per cent of French households have access to multichannel TV, compared with 87 per cent in 2009. Largely due to the rapid expansion of free digital terrestrial television (DTT) in France and the resulting audience fragmentation, traditional channels such as TF1, France 2, France 3 and M6 lost audience share in 2010 (down 4.0 percentage points in total), while the DTT channels gained 4.5 points.

The combined total audience share of Groupe M6 increased slightly to 14.3 per cent (2009: 14.2 per cent), thanks to its complementary family of channels. In the main commercial target group of housewives aged under 50, the combined audience share of Groupe M6 was 21.7 per cent (2009: 21.9 per cent). Over the past five years, Groupe M6 has been the only major broadcasting group to increase its share of the commercial target group (+0.9 points), while Groupe TF1 (-2.7 points) and the public broadcasters (-6.3 points) lost market share.

M6 **TV audience share**

Source: Médiamétrie. Target: housewives < 50. 2006–2010 (%)



In this increasingly competitive environment, **M6** remained the second most popular channel in France among housewives under 50, reporting an audience share of 16.5 per cent (2009: 17.2 per cent), and also continued to reduce the gap to the market leader, TF1, despite TF1 broadcasting most of the World Cup matches. In terms of total audience share, M6 (10.4 per cent) is getting closer to its objective of overtaking France 3 (10.7 per cent) and becoming the number 3 channel after TF1 and France 2. M6 continued to profit from its strong access prime time line-up, with the factual entertainment show *Un dîner presque parfait* (Come Dine With Me) and the magazine *100% Mag*. These programmes lead into the main news show *Le 19.45* and the short drama *Scènes de ménages*, which gained 200,000 viewers in 2010.

Among M6's most popular prime time formats were the fifth season of the romantic docu-soap *L'amour est dans le pré* (The Farmer Wants A Wife) – the most watched summer programme of 2010, with an average audience share of 31.0 per cent in the commercial target group – and the first season of the reality show *Top Chef* (average audience share among housewives aged under 50: 24.2 per cent) in which chefs compete in culinary challenges. The channel successfully launched new shows in prime time, such as the factual entertainment format *Maison à vendre* (House For Sale), the French TV movie series *Victoire Bonnot*, and the US series *Lie To Me*, while its established brands – including entertainment formats *La France a un incroyable talent* (Got Talent) and *Pékin Express*, popular information magazines *Capital*, *Zone Interdite* and *Enquête Exclusive*, and US series such as *NCIS* and *Bones* – continued to attract high ratings.

The channel's most watched programme in 2010, with 8.1 million viewers, was the live broadcast of

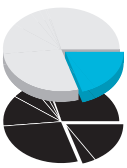
Bosnia and Herzegovina vs France, a crucial qualifying match for the 2012 Uefa European football championship.

Groupe M6's main digital channel, **W9**, increased its average audience share among housewives aged under 50 to 3.9 per cent (2009: 3.3 per cent), making it the most watched DTT channel in the key commercial target group. Total audience share was also up, from 2.5 per cent to 3.0 per cent. Underlining its positioning as a 'mini-generalist' channel, W9 scored high ratings in various genres, including event shows such as *A la recherche du nouveau Michael Jackson*, the magazine *Vies croisées*, movies and sports, with live broadcasts of the Uefa Europa League. W9 achieved the best ever audience of a French DTT channel (2 million viewers) with the broadcast of *Star Wars: Revenge of the Sith* on 23 December 2010. In total, W9 aired 45 of the 100 highest-rated programmes across DTT channels in 2010.

In the pay-TV environment, Groupe M6's channels confirmed their leading positions in their key target groups. Among the 84 thematic channels in the Médiamétrie survey Médiamat Thématik – which measures TV audiences among French households equipped with cable, satellite or ADSL TV – **Paris Première** ranked first, with 13 million viewers tuning in each month, while **Téva** was again the top choice of housewives aged under 50 (audience share: 1.0 per cent).

National audience breakdown

Source: Médiamétrie. Target: housewives < 50.



	2010 (%)
M6	**16.5**
W9	**3.9**
TF1	28.1
France 2	12.0
France 3	6.0
Canal Plus	2.6
France 5	1.5
Arte	0.6
Others	28.8

New media and diversification activities

During 2010, the profit contribution from Groupe M6's diversification and audiovisual rights activities increased by 1.3 per cent. Groupe M6's leading role in the field of diversification is highlighted by the fact that the overall share of non-advertising revenue was 44.2 per cent (2009: 47.4 per cent), despite strong growth in advertising sales in the reporting period.

The catch-up TV service **M6 Replay** has registered 453 million online video views since its launch in March 2008, while **W9 Replay**, launched in December 2009, has reported 20 million online video views. Both services – which enable viewers to re-watch the channels' flagship programmes for seven to 15 days after their initial broadcast – increased their distribution. M6 Replay is available on both computer and television via virtually all cable, IPTV and satellite packages in France, increasing the number of total video views on the platform to over 300 million in 2010. W9 Replay became available on TV screens at the end of June 2010. In October 2010, M6 launched an I-Phone and I-Pad app that offers the channel live at no cost, as well as catch-up TV services and behind-the-scenes videos. By the end of the year the app had registered more than 1 million downloads, making it one of the top free apps on the App Store. The company also launched a unique subscription service in Europe, called 'Pass Séries VIP', which gives viewers access to popular US TV series the day after they are broadcast in the United States.

In 2010, **M6 Web** reached an average audience of 12.5 million unique users per month across its network of 40 internet sites – compared to 12 million unique users in 2009 – with thematic portals such as *Turbo.fr* (cars), *Deco.fr* (home decoration) and *Clubic.com* (high-tech news) reporting strong growth. In total, Groupe M6 websites registered 460.8 million online video views, up 29.2 per cent year-on-year. As France opened the online gambling market, Groupe M6 announced a strategic partnership with Mangas Gaming to offer poker and sports betting. This four-year collaboration, announced in April, is built around the sponsorship of poker and sports programmes, the integration of Betclic and Everest poker with online betting services on Groupe M6 sites, and a late-night poker programme on M6.

The **M6 Mobile by Orange** service celebrated its fifth anniversary with 2.0 million customers at the end of 2010 (up 25 per cent year-on-year), while the M6-branded payment card – launched in co-operation with Crédit Agricole in September 2009 – now has over 850,000 customers. The **audiovisual rights** division benefited from the tremendous success of the *Twilight* movies, in terms of both box office and DVD sales. Groupe M6's mail-order and retail activities – bundled in the unit **Ventadis** – also performed strongly in 2010, with sustained revenue growth at the e-commerce platform *Mistergooddeal.com*, as well as improved margins at Home Shopping Service.

"Groupe M6's model is based on two drivers: advertising and diversification. In 2009, we effectively withstood the crisis thanks to our diversification businesses. In 2010, we achieved record results thanks to strong growth in advertising revenue."

Nicolas de Tavernost,
Président du Directoire,
Groupe M6

FREMANTLEMEDIA

Financial results

Revenue of FremantleMedia – RTL Group's production and brand exploitation arm – increased by 7.5 per cent to €1,272 (2009: €1,183 million), driven by higher revenue in North America and France plus portfolio and exchange rate effects. Despite this growth, FremantleMedia reported a lower EBITA of €140 million (2009: €155 million), mainly due to general pressure on margins and volumes from broadcasters.

	Year to December 2010 €m	Year to December 2009 €m	Per cent change
Revenue	**1,272**	**1,183**	**+7.5**
Adjusted EBITA	**140**	**160**	**(12.5)**
Restructuring costs	–	(5)	n.a.
Reported EBITA	**140**	**155**	**(9.7)**

Acquisitions

In 2010, FremantleMedia strengthened its portfolio and international presence via several mid-sized acquisitions. In March, it acquired the remaining 25 per cent of the production company Blu, taking the company's ownership to 100 per cent. Blu is a market-leading production company in Denmark and Sweden, in which FremantleMedia has held a majority stake since 2005. In April, it took over 100 per cent of the Netherlands-based independent production company Four One Media.

In October, FremantleMedia took a 62.5 per cent share in Radical Media, its first large-scale move into the branded entertainment market. Radical Media is one of the leading TV commercials production and transmedia companies in the United States, with offices in Australia, China and Germany, and is a pioneer in the field of branded entertainment. The investment is an extension of an ongoing and successful relationship: FremantleMedia Enterprises (FME) has been working with Radical Media since 2008 on several projects such as the critically acclaimed TV series *Iconoclasts* on the Sundance Channel, the documentary *Britney: For The Record* and the table tennis tournament Hardbat Classic on ESPN.

Also in October, FremantleMedia announced the acquisition of a further 51 per cent stake in Ludia, a leading developer and publisher of interactive casual games. The transaction took FremantleMedia's stake in Ludia to 80 per cent. The two companies have collaborated since 2008 on a range of titles for leading games consoles and PCs, as well as mobile applications for well-known FremantleMedia classics such as *The Price Is Right* and *Family Feud*. Ludia has also moved into social games, most recently on Facebook with *The Price Is Right*.

The acquisitions of Radical Media and Ludia form part of FremantleMedia's ongoing plan to broaden and diversify its business by developing new products (beyond TV content), attracting new customers (advertisers and end consumers in addition to TV broadcasters) and developing new business models for entertainment (advertiser-funded and direct-to-consumer).

Production businesses

In 2010, FremantleMedia's global network of production companies was responsible for nearly 9,500 hours of TV programming across 54 countries, making it one of the largest creators of award-winning international programme brands. RTL Group's content arm continued to produce the highest rated entertainment shows for broadcasters in the biggest TV markets worldwide – including the US, the UK, Germany, France and Australia – and distributed its programmes to more than 150 countries.

FremantleMedia entertainment formats continued to travel well in 2010. *Got Talent* – co-owned with Syco – added another 11 territories to its roster in 2010, and was successfully aired in 40 territories by the end of 2010, while the dating format *Take Me Out* (developed by FremantleMedia France) rolled out to nine new territories, taking its total to 16.

In the **US**, *American Idol* – co-produced and co-owned by FremantleMedia North America (FMNA) and 19 Entertainment – was again the country's most watched prime time entertainment series. Season nine of the programme, broadcast by the Fox network, achieved an average audience share of 21.6 per cent among viewers aged 18 to 49, three times higher than the network's prime time average. *American Idol* has been the number one series in the US for the past seven years. Returning to US screens in the summer, the fifth season of *America's Got Talent* (co-produced by FMNA and Syco) was the most successful series on NBC for 2010, attracting an average total audience share of 10.5 per cent. On air since 1972, *The Price Is Right* remained the highest rated daytime game show in the US. The sixth series of Original Production's *Deadliest Catch* was the most successful yet, winning an average audience of 4.5 million viewers and a 3.9 per cent market share on the Discovery Channel.

In the **UK**, series seven of *The X Factor* (co-produced with Syco) was the most successful yet and was the country's number one series of 2010, winning an average total audience share of 48.7 per cent on ITV 1. Nearly a third of the UK population tuned into the final, making it the UK's highest rated show of 2010, with an audience of 17.7 million viewers. Series-on-series, the average audience for *The X Factor* grew by 9 per cent. The fourth series of *Britain's Got Talent* (co-produced by FremantleMedia's Talkback Thames with Syco) was the UK's second highest rated series of 2010, attracting an average audience share of 45.7 per cent on ITV 1. The sixth season of *The Apprentice* (created by Mark Burnett) scored an average audience share of 27.6 per cent, and was BBC One's second highest rated entertainment series of 2010.

In March, ITV decided not to re-commission the long-running police series *The Bill*. In July, Talkback Thames launched a restructuring plan to boost development and investment in talent while ensuring a focus on costs and efficiency.

In **Germany**, season seven of *Deutschland sucht den Superstar* (Idols) improved its ratings year-on-year by 23 per cent, while season four of *Das Supertalent* (Got Talent) was the most popular yet, with an average share of 37.4 per cent among viewers aged 14 to 49. Airing on RTL Television since 1992, *Gute Zeiten, schlechte Zeiten* (Good Times, Bad Times) remained Germany's most successful daily soap, winning an average audience share of 22.2 per cent in the key commercial target group of viewers aged 14 to 49. The Teamworx TV movie *Bis nichts mehr bleibt* gained an average audience of 8.8 million viewers and a total audience share of 27.3 per cent on ARD on 31 March 2010, making it the public broadcaster's highest rated TV movie of the year.

In **Australia**, series four of *Australia's Got Talent* has been the most successful yet, scoring an average total audience share of 30.5 per cent. It was also the highest rated entertainment show of the year for broadcaster Seven. Airing on Network Ten, the second series of *Master Chef* improved its performance year-on-year by 13 per cent, attracting an average total audience share of 36.2 per cent. Peaking with an audience of 4.0 million viewers for the series final, *Master Chef* was the most watched non-sports show ever in Australia. Long-running audience favourite, *Neighbours,* celebrated its 25th anniversary on 19 March 2010.

In **France**, series five of *L'amour est dans le pré* (The Farmer Wants A Wife) scored an average total audience share of 21.2 per cent and established itself as M6's most popular entertainment series for 2010. Airing its third series on TF1, *Le juste prix* (The Price Is Right) was the country's highest rated game show for 2010, scoring an average total audience share of 25.8 per cent.

Number of hours produced

Programmes	2010	2009
New	2,388	1,904
Returning	7,109	7,545
Total	9,497	9,449

Breakdown of hours produced by main markets

	2010	2009
Germany	1,252	1,180
USA	872	705
France	684	510
UK	355	452
Spain	249	522
Italy	247	372

"FremantleMedia's core creative and commercial businesses performed in line with expectations despite the tough economic conditions in 2010, while acquisitions and investments were made to diversify and expand the company's scope for future growth."

Tony Cohen,
CEO, FremantleMedia

FremantleMedia Enterprises (FME)

FremantleMedia Enterprises (FME) works with FremantleMedia's own brands and those of third parties to create additional revenue opportunities through international content distribution, licensing, new media and home entertainment.

FME continued to grow sales for its catalogue of programming, including entertainment shows *American Idol* (watched in 140 countries) and *America's Got Talent* (110 countries), and global dramas *Merlin* (180 countries) and *Satisfaction* (100 countries).

FME's newly created Children & Family Entertainment division launched its first titles in 2010 – the tween horror/comedy *My Babysitter's A Vampire* and boys' animated action adventure *Monsuno* – and have many more projects in development.

Following the huge success of *Master Chef* in Australia, FME delivered a comprehensive licensing programme to make *Master Chef* one of Australia's leading brands in the food and lifestyle market. Licensing deals were done in numerous categories including cookware, kids' products, publishing and live events.

FME announced an exclusive direct-to-retail deal with K-Mart and Sears in North America for more than 320 Rebecca Bonbon branded products in over 2,000 stores in the US and Canada. This is the latest in a long line of deals around the globe for the graphic property from Yuko Shimizu, the original creator of the multi-billion dollar brand, Hello Kitty. FME represents the Rebecca Bonbon brand globally (outside Japan, Korea and China) and has licensing partners in more than a dozen territories including Brazil, Germany, France, Italy, and the Benelux.

A number of FremantleMedia brands have successfully launched onto social networking, console, mobile and online platforms. *The Price Is Right* and *Family Feud* are among the fastest-growing games on Facebook. The first I-Phone app for *Britain's Got Talent* jumped to the top of the app charts within days of its launch and remained there throughout the broadcast. The free app was downloaded by over half a million viewers.

RTL NEDERLAND

Financial results

Total revenue at RTL Nederland increased 15.6 per cent to €429 million (2009: €371 million), reflecting higher advertising and non-advertising revenue for TV activities and higher radio advertising sales. Total EBITA of the profit centre increased by 52.8 per cent to €110 million (2009: €72 million), mainly resulting from significantly higher profit contributions from TV activities.

The Dutch TV advertising market was estimated to be up 10.6 per cent over the period, with RTL Nederland outperforming the market and taking a 41.2 per cent share, up from 38.7 per cent in 2009. In particular, during the fourth quarter of the year, the company managed to translate its high audience shares into significantly higher shares of the advertising market.

	Year to December 2010 €m	Year to December 2009 €m	Per cent change
Revenue			
TV	373	318	+17.3
Radio	56	53	+5.7
Total	**429**	**371**	**+15.6**
EBITA			
TV	89	53	+67.9
Radio	21	19	+10.5
Total	**110**	**72**	**+52.8**

Audience ratings

RTL Nederland's family of channels achieved a combined prime time audience share of 33.0 per cent in the target group of viewers aged 20 to 49 – up from 31.7 per cent in 2009 – despite the public broadcasters profiting from their football World Cup and Olympic Winter Games coverage. Scoring its highest ratings since 1999, RTL Nederland remained clearly ahead of its main commercial competitor, SBS group (24.0 per cent), and the public broadcasters (28.3 per cent). In the fourth quarter of 2010, RTL Nederland's combined prime time audience share among young viewers reached 36.9 per cent.

"Scoring its highest ratings since 1999 and outperforming the Dutch TV advertising market, RTL Nederland achieved EBITA of over €100 million for the first time ever."

Bert Habets,
CEO, RTL Nederland

RTL 4 — **TV audience share**

Source: SKO. Target: shoppers 20–49 (18–24h). 2006–2010 (%)

10	**18.3**
09	17.0
08	14.9
07	14.8
06	15.8

As in the previous year, the ratings increase was mainly driven by the flagship channel **RTL 4**, which achieved strong growth in its average prime time audience share – from 17.0 to 18.3 per cent – in the target group of shoppers aged 20 to 49. In October and November of 2010, the channel scored 22.2 per cent of the target group – its best monthly audience share since October 1996. The first series of the highly interactive talent show *The Voice Of Holland*, launched in October, contributed strongly to the channel's ratings performance. With an average audience share of 47.7 per cent in the target group, the show has become the most watched talent format ever on RTL 4, even outperforming the first two seasons of *Idols*. Series three of *X Factor*, produced by FremantleMedia, was the highest rated yet, winning an average audience share of 32.1 per cent among shoppers aged 20 to 49. Launching on RTL 4 in January 2010, the new talent show *My Name Is Michael* also had a successful first series, gaining an average audience share of 24.1 per cent in the target group. Other audience favourites in prime time were *Holland's Got Talent*, *De TV Kantine*, *Ushi & Loesie*, *Ik Hou Van Holland* and *Van Der Vorst Ziet Sterren*.

In access prime time, RTL 4's key programmes – including *RTL Boulevard*, *RTL Nieuws* and the long-running daily soap *Goede Tijden, Slechte Tijden* (Good Times, Bad Times) – continued to perform strongly.

RTL 5 — **TV audience share**

Source: SKO. Target: 20–34 (18–24h). 2006–2010 (%)

10	**8.8**
09	9.6
08	9.1
07	10.1
06	11.0

RTL 5 finished 2010 with an 8.8 per cent audience share in the 20 to 34-year-old demographic (2009: 9.6 per cent). The channel's most watched format of the year was the reality soap *Oh Oh Cherso* which scored an average audience share of 45.9 per cent among young viewers aged 20 to 34. Dutch versions of reality shows such as *Benelux Next Top Model*, *Expeditie Robinson*, *So You Think You Can Dance* and *Topchef*, the dating show *Take Me Out*, and the docu soap *Hoe Vind Ik Een Vent?*, following Dutch celebrity Bridget Maasland on her search for a new partner, were particularly popular among young viewers.

RTL 7 — **TV audience share**

Source: SKO. Target: men 20–49 (18–24h). 2006–2010 (%)

10	**7.1**
09	6.7
08	6.9
07	6.7
06	5.4

RTL 7 had its best year since its launch in 2005, increasing its audience share in its main target group (men aged 20 to 49) to 7.1 per cent, from 6.7 per cent in 2009. Key pillars of the channel's schedule are live broadcasts of football games, the weekly football magazine *Voetbal International* – which had its best year ever – motor sports and movies for men. During the football World Cup the talk show *VI Oranje* won an average audience share of 12.7 per cent among male viewers aged 20 to 49. The channel's highest rated programme was the two-leg Dutch cup final, with the first match attracting an audience share of 62.2 per cent among men aged 20 to 49.

RTL 8 — **TV audience share**

Source: SKO. Target: women 20–49 (18–24h). 2008–2010 (%)

10	**3.2**
09	3.3
08	3.4

Meanwhile, the female-oriented **RTL 8** reported a prime time audience share of 3.2 per cent among women aged 20 to 49 in 2010 – almost stable compared to 3.3 per cent in 2009. The digital TV channel **RTL Lounge** continues to grow with up to 1.3 million unique viewers per month.

Radio 538 is a hit radio station that plays a range of contemporary and recent chart music, plus dance music and R&B, presented by the Netherlands' most popular DJs. Radio 538 was RTL 4's radio partner for the highly popular talent show *The Voice Of Holland*, and the station also broadcast the final show live on air. In 2010, Radio 538's average audience share among listeners aged 20 to 49 remained stable at 16.2 per cent. Radio 538 and Radio 3FM are the country's leading radio stations. Radio 538's share of the net radio advertising market was 25.6 per cent (2009: 25.1 per cent). In January 2010, RTL Nederland acquired **Radio 10 Gold**, further expanding its family of radio stations following the launch of the digital station RTL Lounge Radio in 2009. Radio 538 handles the day-to-day operations of Radio 10 Gold, which mainly targets female listeners.

New media and diversification activities

RTL Nederland's network of websites – including the general portal, *RTL.nl*, the catch-up TV service *RTLGemist.nl* (rebranded to *RTLXL.nl* in October 2010), and a variety of websites dedicated to popular formats such as *X Factor* – increased its average number of unique users per month by 39 per cent, to 7.1 million (2009: 5.1 million). The number of online video views grew by 41.6 per cent to 262 million (2009: 185 million). The most popular streams were clips and broadcasts from the *RTL Nieuws* website, episodes of the soaps *Goede Tijden, Slechte Tijden* and *As The World Turns*, the entertainment news show *RTL Boulevard*, the talent shows *X Factor* and *The Voice Of Holland*, and the reality soap *Oh Oh Cherso*.

Throughout 2010, RTL Nederland expanded the distribution of its content, launching several news services on digital platforms.

In February, RTL Nederland and Philips signed an agreement under which RTL Nederland became the first media company in the Netherlands to provide high-quality content for users of the internet-connected Philips Net TV sets. The agreement means Philips Net TV viewers can access the catch-up TV service directly on their TV screen.

In June, RTL Gemist became available on 3G mobile phones. The service offers free content – such as weather and news – as well as paid content such as *RTL Boulevard* and *Goede Tijden, Slechte Tijden*. Payments are processed via the viewer's mobile phone bill, or by SMS.

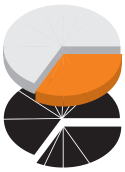
In October, RTL Nederland launched *RTLXL.nl*, a new centralised platform for the company's various video-on-demand services, including RTL's entire digital video library: the catch-up TV service, films, series and promotional content. The platform offers both free and paid content, and is available on computers, mobile devices, tablet PCs and Net TV.

In November, RTL Nederland released its first application for the Apple I-Pad. As well as access to all reports from the news shows, users of the *RTL Nieuws* app also have access to the live stream of the DVB-H channel RTL 24, including the news programmes *RTL Nieuws*, *RTL Z*, *Editie NL* and *RTL Boulevard*. Within a single day, it became the most downloaded paid app (available for €0.79) in the Netherlands.

With effect from 1 August 2010, RTL Nederland took over the events company Wentink, a further step in expanding RTL Nederland's activities in the events and entertainment market.

National audience breakdown

Source: SKO. Target: 20–49 (18–24h).



	2010 (%)
RTL 4	17.7
RTL 5	7.3
RTL 7	5.4
RTL 8	2.6
Nederland 1	16.8
SBS 6	11.9
Nederland 3	7.6
Veronica	6.3
Net 5	5.8
Nederland 2	4.0
Others	14.6

RTL BELGIUM

Financial results

Total revenue at the Belgian profit centre, which includes TV and radio activities, increased 7.9 per cent to €219 million (2009: €203 million), mainly driven by significantly higher TV advertising sales and despite the sale of Belga Films in June 2010. The net TV advertising market in French-speaking Belgium was estimated to be up 11.6 per cent. As a result, total EBITA of the profit centre increased to €45 million (2009: €36 million).

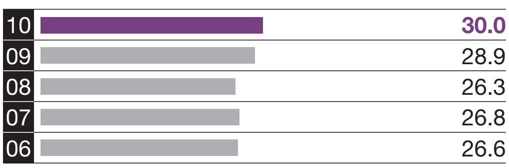
	Year to December 2010 €m	Year to December 2009 €m	Per cent change
Revenue			
TV	171	158	+8.2
Radio	48	45	+6.7
Total	**219**	**203**	**+7.9**
EBITA			
TV	29	20	+45.0
Radio	16	16	0.0
Total	**45**	**36**	**+25.0**

Audience ratings

The combined prime time audience share of the RTL family of TV channels in the target group (shoppers aged 18 to 54) was 38.3 per cent, only slightly down from the previous year's record level of 38.9 per cent. This was a significant achievement, as the football World Cup was broadcast by the public channels (which had a combined audience share of 18.2 per cent in the reporting period). In terms of total audience, the family of channels aired 74 of the year's 100 top programmes.

RTL-TVI **TV audience share**

Source: Audimétrie. Target: shoppers 18–54 (17–23h). **2006–2010 (%)**



RTL-TVI – the market-leading channel in French-speaking Belgium – significantly increased its prime time audience share in the target group to 30.0 per cent (2009: 28.9 per cent), thus widening its lead over both the second highest rated channel – the French commercial broadcaster TF1 (to 12.3 percentage points) – and the public broadcaster La Une (to 18.3 percentage points). RTL-TVI was also the clear market leader in terms of total audience share in prime time (26.8 per cent).

The channel's most watched programme of 2010 was the broadcast of the French film *Bienvenue chez les Ch'tis* on 7 March, which achieved a total audience share of 66.6 per cent – a new record for TV audiences in French-speaking Belgium. The film's TV broadcast was part of an evening that RTL-TVI devoted entirely to the Ch'ti phenomenon. Shown at 19:45, the magazine *Le phénomène Ch'tis* attracted a total audience share of 46.7 per cent – also a record figure for that time slot.

RTL-TVI's news programmes remained the clear favourite among viewers in French-speaking Belgium. With a total audience share of 45.8 per cent, the midday news scored the highest ratings every day in 2010, while the main news bulletin, *Le Journal*, was number one on all but four evenings, with an average total audience share of 47.5 per cent – 14.6 percentage points ahead of its direct competitor, *JT*, on the public channel La Une. RTL-TVI also continued to draw large audiences with its early-evening information programmes such as *Tout s'explique*, *Images à l'appui*, *Coûte que Coûte, Enquêtes* and the emblematic *Place Royale.*

In access prime time, the factual entertainment show *Un dîner presque parfait* (Come Dine With Me) achieved an average audience share of 32.5 per cent in the main commercial target group of shoppers aged 18 to 54.

In prime time, the first season of *Top Chef* scored an average audience share of 34.9 per cent among shoppers aged 18 to 54, closely followed by the second season of the Belgian version of the romantic docu-soap *L'amour est dans le pré* (The Farmer Wants A Wife) with a 33.7 per cent share in this target group. The highest rated US series were once again aired by RTL-TVI, including *Desperate Housewives*, *NCIS Enquêtes Spéciales, CSI: Miami* and *CSI: NY*. On Thursday evenings, traditionally reserved for films, RTL-TVI recorded an average audience share of 32.5 per cent in its main target group.

Club RTL continued to focus on children's programmes during the day and sports in the evening. The channel drew large audiences with its football

Club RTL **TV audience share**

Source: Audimétrie. Target: men 18–54 (17–23h). 2006–2010 (%)

10	5.5
09	7.1
08	7.2
07	7.1
06	6.7

show *La Coupe*, the live broadcast of the Belgium vs Austria qualifying match for the 2012 Uefa European football championship (audience share among male viewers aged 18 to 54: 35.4 per cent), the animated sitcom *Les Simpson* (The Simpsons), French comedy series *Caméra Café*, and films. Club RTL ended the year with a prime time audience share of 5.5 per cent in its main target group of male viewers aged 18 to 54, down from 7.1 per cent in 2009.

Plug RTL **TV audience share**

Source: Audimétrie. Target: 15–34 (17–23h). 2006–2010 (%)

10	3.8
09	4.8
08	4.4
07	3.7
06	3.9

Plug RTL reported a prime time audience share among young viewers aged 15 to 34 of 3.8 per cent (2009: 4.8 per cent). The channel's flagship formats include popular entertainment programmes from Groupe M6, such as *D&Co*, *Pékin Express* and *Nouvelle Star*, plus repeats of hit US series such as *CSI: Miami*, *Lost* and *Heroes*.

Bel RTL **Radio audience share**

Source: CIM Radio (Spring Wave). Target: 12+. 2006–2010 (%)

10	18.8
09	17.2
08	19.5
07	19.6
06	19.6

Radio Contact **Radio audience share**

Source: CIM Radio (Spring Wave). Target: 12+. 2006–2010 (%)

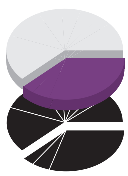
10	16.8
09	17.9
08	15.1
07	13.6
06	15.0

According to the CIM audience survey, covering January to June 2010, the Belgian radio family had a combined audience share of 35.6 per cent (2009: 35.1 per cent), with **Bel RTL** reinforcing its status as the number one radio station in the French community (audience share: 18.8 per cent, up 1.6 points

year-on-year) and **Radio Contact** being the leading music radio station (audience share: 16.8 per cent, down 1.1 points year-on-year). As a result, the two RTL Belgium stations remained clearly ahead of RTBF's five public radio stations (combined audience share: 34.1 per cent).

French-speaking Belgium audience breakdown

Source: Audimétrie. Target: shoppers 18–54 (17–23h). 2010 (%)



RTL-TVI	**30.0**
Club RTL	**5.0**
Plug RTL	**3.3**
TF1	17.7
La Une	11.7
La Deux	6.5
AB 3/AB 4	5.5
France 2	5.4
France 3	3.8
Others	11.1

New media and diversification activities

In January 2010, RTL Belgium created a new division called RTL New Media to significantly expand the company's digital activities.

In 2010, the number of video views across RTL Belgium's websites increased to 28.8 million, driven by the news website *RTLinfo.be*, which registered 21 million video views (up 62 per cent year-on-year) and 1.48 million unique users per month (up 24 per cent). The RTL info app for the I-Phone was downloaded 58,000 times, generating 185,000 sessions per month.

The video-on-demand platform, RTL à l'infini, also recorded sound progress, with a 72 per cent increase in the number of videos ordered by digital TV subscribers (1,565,000), compared to 2009. RTL à l'infini is a paid on-demand service, available via IPTV. By pushing the red button on their remote control, viewers in French-speaking Belgium have access to US series broadcast on RTL-TVI, Club RTL and Plug RTL for a fee, and other major programmes.

"Thanks to the recovery in the advertising market, our high audience ratings, the full impact of our savings plan and the postponement of the HD investment, 2010 was an historical year for RTL Belgium."

Philippe Delusinne,
CEO, RTL Belgium

RTL RADIO (FRANCE)

RTL RTL2 fun radio RTL L'EQUIPE LA RADIO DU SPORT ET DE L'INFO

Financial results

2010 was shaped by the partial recovery of the French radio advertising market, estimated to be up 6.3 per cent, following significant drops in both 2008 and 2009.

During the year, the French RTL radio family aimed to preserve the value of its airtime inventory and to attract new advertising clients. Reported revenue of the profit centre increased 4.6 per cent to €182 million (2009: €174 million). The net advertising share of the RTL radio family decreased slightly to 25.6 per cent (2009: 26.2 per cent).

Reported EBITA of the French radio profit centre was €24 million, up by 60.0 per cent from €15 million in 2009.

The profit centre continued to implement its cost reduction plan, which aims to save 10 per cent between 2009 and 2011. The voluntary redundancy plan, launched at the end of 2009, was finalised with 33 employees opting to take advantage of it.

	Year to December 2010 €m	Year to December 2009 €m	Per cent change
Revenue	**182**	**174**	**+4.6**
Adjusted EBITA	**24**	**18**	**+33.3**
Restructuring costs	–	(3)	n.a.
Reported EBITA	**24**	**15**	**+60.0**

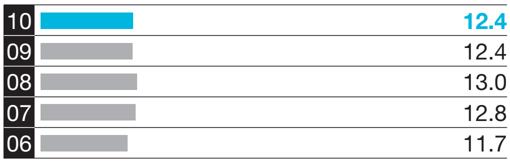
Audience ratings

As in the previous years, RTL Radio in France confirmed strong audience leadership. RTL Radio, RTL 2 and Fun Radio achieved a combined average audience share of 19.3 per cent, up from 2009 (19.1 per cent). The RTL radio family increased its lead on its main commercial competitors – the radio families of NRJ (14.8 per cent; down 0.3 percentage points on 2009) and Lagardère (13.6 per cent, down 0.5 percentage points on 2009).

The audience share of the flagship station **RTL** remained stable at 12.4 per cent. In a context of strong competition between all general interest stations, RTL was the number one radio station in France for the eighth consecutive year. The station also remained the clear leader in the other key ratings criteria – daily cumulated audience and time spent listening. According to the latest survey from Médiamétrie for

RTL Radio **Radio audience share**

Source: Médiamétrie. Target: 13+. **2006–2010 (%)**



the period November to December 2010, RTL Radio had an average audience of 6.87 million listeners per day, the highest level for ten years.

RTL continued to improve its programme grid, launching four new programmes for the season 2010/11. Yves Calvi's morning interview slot, the midday news show hosted by Laurent Bazin and Elisabeth Martichoux, Jacques Pradel's *L'heure du Crime*, and Flavie Flament's afternoon talk show have all performed strongly.

With more than 4 million listeners every day, RTL's prime time news programme – broadcast between 7:30 and 9:30 – is the country's most popular news show, with a total audience share of 14.1 per cent.

Several established formats continued to perform strongly and to maintain their leading position, including *Ca Peut Vous Arriver*, hosted by Julien Courbet, and the station's legendary afternoon hit show, *Les Grosses Têtes*, hosted by Philippe Bouvard. The audience share of *Les Grosses Têtes* was 72 per cent above that of the second highest rated show.

Throughout 2010, RTL Radio confirmed its status as the country's number one radio station by providing exclusive coverage of breaking news events. When the earthquake hit Haiti in January 2010, RTL journalist Philippe Antoine was the first foreign journalist to report from the scene. The station hosted exclusive interviews with public figures such as former UK prime minister Tony Blair and Rolling Stone Keith Richards, while France's first lady, Carla Bruni-Sarkozy, visited the station twice during the year.

Entertainment also figured strongly, with major stars such as Seal, Zucchero, Phil Collins and Roger Hudson choosing the RTL studios for intimate showcases, and rising jazz talent Nikki Yanofski holding a concert in the RTL Grand Studio. The station also hosted Robbie Williams' only European concert, and was involved in events such as the Yannick Noah Tour.

Fun Radio — **Radio audience share**

Source: Médiamétrie. Target: 13+. 2006–2010 (%)

10	**4.1**
09	3.8
08	3.8
07	3.8
06	3.4

Positioning **Fun Radio** as a 'dance-floor music format' continued to be a winning strategy. In a difficult market for music radio stations – which have lost 4.1 percentage points of total audience share over the past five years – Fun Radio increased its audience share to 4.1 per cent (2009: 3.8 per cent), its best rating since 2002. The station has increased its ratings for seven consecutive audience surveys, and became the number two music radio station, for the first time in its history, in the September to October 2010 survey. The popular morning show, hosted by Manu and Virginie, attracted over 1.8 million listeners each day, an increase of 20 per cent compared to 2009.

RTL 2 — **Radio audience share**

Source: Médiamétrie. Target: 13+. 2006–2010 (%)

10	**2.8**
09	2.9
08	3.0
07	3.0
06	2.8

Pop-rock radio station **RTL 2** faced growing competition as other stations aimed to copy its successful format. However, the station basically maintained its audience share of 2.8 per cent (2009: 2.9 per cent). The morning show, co-hosted by Christophe Nicolas and Agathe Lecaron, again performed strongly, sticking to its popular pop-rock mix of newcomers (such as Cocoon, Iz and Julian Perretta) and renowned artists (such as U2 and Muse). At the end of the year the station took to the road, broadcasting live from major French cities and meeting listeners around the country.

New media and diversification activities

Over the course of the year, traffic to the websites operated by **RTL Net** – RTL Radio's online subsidiary – has significantly increased by 14.7 per cent to 3.9 million unique visitors per month (2009: 3.4 million unique visitors). In particular, RTL Radio's website, *RTL.fr*, has confirmed its position as the number one radio site in France. With a monthly average of 2.7 million unique visitors in 2010, the site increased its audience by over 8 per cent compared to 2009 (2.5 million unique visitors). In September 2010, *RTL.fr* was redesigned to offer greater user interaction and more multimedia content. *RTL2.fr* and *Funradio.fr* achieved the highest increases in usage of music radio websites.

"RTL Radio once again confirmed its strong audience leadership. And thanks to our early focus on cost reduction, we significantly improved the profitability of the RTL radio family in France."

Christopher Baldelli,
CEO, RTL Radio (France)

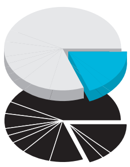
During the year, RTL Net developed a number of popular apps for I-Phone and Android smartphones: *Témoins RTL*, which enables users to share and publish photos with other RTL Radio listeners; *RTL Foot*, which offers the latest football results and live information, and immediately became the most downloaded sports app on the French App Store; and *RTL Astro Haas*, which provides free and paid for astrological predictions.

In October 2010, Fun Radio joined forces with the Groupe M6 channels to organise the second *Starfloor* dance music event in Paris. With performers including Kylie Minogue, Kelly Rowland and Bob Sinclar, the 17,000 tickets for the concert had sold out a month before the event took place. The station collaborated with RTL Special Marketing to launch four dance music albums based on the *Starfloor* label, all of which topped the French charts, selling 350,000 copies during 2010 (up 33 per cent on 2009: 264,000 copies). In September, Fun Radio joined forces with Crédit Mutuel Arkéa to launch the first online bank dedicated to 13 to 25-year-olds.

Fun Radio gathered over 1 million fans on the Facebook and Twitter networks, becoming the number one French-language media brand on Facebook, while over 1 million users have downloaded the station's app for I-Phone and I-Pad.

National audience breakdown

Source: Médiamétrie. Target: 13+. 2010 (%)



General-interest radio networks		*Music radio networks targeting adults*		*Music radio networks targeting young listeners*	
RTL	**12.4**	**RTL 2**	**2.8**	**Fun Radio**	**4.1**
France Inter	9.5	Nostalgie	4.4	NRJ	5.7
Europe 1	8.1	Chérie FM	3.0	Skyrock	4.8
		RFM	2.9		
Other formats	42.3				

OTHER SEGMENTS

This segment comprises the fully consolidated businesses RTL Klub (Hungary), Alpha TV (Greece), RTL Televizija (Croatia), and RTL Group's Luxembourgish activities, plus UFA Sports, the Corporate Centre, new projects, the German radio business and the at-equity participation in Grupo Antena 3 (Spain).

RTL Klub **TV audience share**

Source: AGB Hungary. Target: 18–49 (prime time). 2006–2010 (%)

10	29.1
09	30.7
08	32.6
07	34.8
06	34.4

RTL Klub in Hungary operated in a difficult environment in 2010, with the TV advertising market estimated to be down 3.2 per cent amid no signs of an improvement in the investment climate. Consolidated revenue of RTL Klub amounted to €105 million and EBITA to €19 million. In the previous year's results, RTL Klub had been fully consolidated as from 1 April 2009. On a pro forma basis, and in local currency, revenue remained stable year on year, resulting from a slight increase in advertising revenue, while EBITA was up 3.8 per cent, driven by cost savings. As RTL Klub outperformed the net TV advertising market, the channel's share increased to 48.5 per cent (2009: 46.7 per cent).

At the end of 2010, more than 84 per cent of Hungarian households had access to multichannel services – mainly due to the expansion of digital satellite TV – while the total number of Hungarian-speaking channels increased to 91. As a result of this increasing audience fragmentation, RTL Klub's prime time audience share in the key demographic of 18 to 49-year-old viewers decreased to 29.1 per cent (2009: 30.7 per cent). However, RTL Klub clearly remained the number one channel in Hungary, with a lead of 6.5 percentage points over its closest competitor, TV 2. It was the most watched channel in the target group on 308 out of 365 evenings.

"Despite another challenging economic year, RTL Klub achieved strong audience and financial results. 2010 was also a year of increased focus on the development of our online activities. This enabled us to become, for the first time, one of the top 10 most visited sites in Hungary and achieve break-even with our internet activities."

Dirk Gerkens,
CEO, RTL Klub

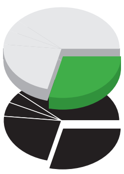
RTL Klub continued to score high ratings in all genres, including docu-soaps such as *Come Dine With Me* and *Győzike*, the game show *Take It Or Leave It*, US drama series, movies, news and live broadcasts of Formula 1 races. With an average audience share of 33.4 per cent among young viewers, *Barátok Közt* (Between Friends) remained the most popular local daily soap. After a seven-year break, Hungary's most popular reality show, *Való Világ*, returned to the screens in November 2010, achieving an average audience share of 32.9 per cent among young viewers.

RTL Klub's biggest hit in 2010 was the first season of *X-Faktor*, which attracted an average audience share of 53.3 per cent in the target group. The show was so successful that RTL Klub's main competitor, TV 2, moved its established talent show *Megasztár* from its Saturday night slot to Friday evening. Half of the population tuned in to watch the *X-Faktor* final, making it the most watched TV show of the year. The final of the football World Cup in July was Hungary's third most-watched TV programme – behind another *X Faktor* live show.

The channel's catch-up TV service, RTL Most – launched at the end of September 2009 – registered 34.6 million video views in the reporting period. The number of unique visitors to RTL Klub websites increased strongly at the end of 2010, following the launch of dedicated sites for the channel's hit formats, *X-Faktor* and *Való Világ*.

National audience breakdown

Source: AGB Hungary. Target: 18–49 (prime time).



	2010 (%)
RTL Klub	**29.1**
TV 2	22.6
MTV 1	5.6
Viasat	4.5
Others	38.2

Alpha TV in Greece: Based on its successful repositioning as a family-oriented channel with a focus on docu-soaps and entertainment, Alpha TV continued to increase its ratings in 2010, and gained advertising share in a very difficult market. In a net TV advertising market estimated to be down 23.8 per cent, Alpha TV's overall revenue decreased to €61 million (2009: €70 million). The channel's advertising sales decreased by 13.1 per cent, resulting in an advertising market share of 16.7 per cent, up significantly from 14.6 per cent in 2009. Benefiting from the cost savings implemented in 2009, Alpha TV's start-up losses fell by €13 million year on year, resulting in a negative EBITA of €21 million (2009: minus €34 million).

The channel's audience share in the main commercial target group of viewers aged 15 to 44 was 13.8 per cent (2009: 13.7 per cent). More importantly, the

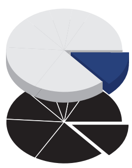
channel gained 0.9 percentage points in the key prime time slot, averaging a 15.6 per cent audience share among young viewers (2009: 14.7 per cent) and maintaining its number three position. Alpha TV registered the highest increase in its core audience with a 2.6 percentage point rise among women aged 25 to 34 in prime time.

The satirical comedy show *Al Tsantiri Niouz* with Lakis Lazopoulos was again the channel's most successful programme, with an average audience share of 50.3 per cent in the target group. Local adaptations of internationally successful factual entertainment formats – including *Come Dine With Me*, *Kitchen Nightmares* and *Home Makeover* – also contributed to the ratings performance, while the weekdays morning show *Kafes me tin Eleni* (Coffee With Eleni) and the weekend morning show *Mes Tin Kali Hara* (Full Of Joy) continued to perform strongly.

With the first season of *Greek Idol* (average audience share 15 to 44: 27.3 per cent) Alpha TV succeeded in winning the highly competitive Monday night slot for the first time in its history. *Big Brother* launched in October 2010. Throughout the season, the reality show achieved an average audience share of 22.8 per cent among young viewers aged 15 to 44. Also in October 2010, Alpha TV introduced the first and only scripted reality daily on Greek television, *Oikogeneiakes Istories* (Family Stories). With an average audience share of 18.9 per cent in the 15 to 44 demographic, the format has almost doubled the channel's ratings in the 18:00 to 19:00 time slot.

National audience breakdown

Source: AGB Nielsen Media Research. Target: 15–44.



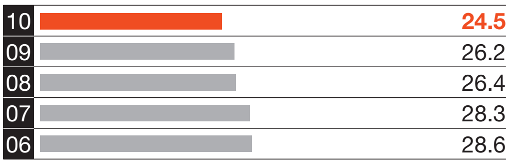
	2010 (%)
Alpha TV	**13.8**
Mega	19.8
Antenna	17.7
Star	12.5
Alter	7.3
Net	6.2
Skai	5.3
Others	17.4

"Our strategy to reposition Alpha and differentiate it from the competition paid off during 2010. With the right mix of programmes and a clearly defined structure, Alpha's offering has a unique proposition to which the Greek audience is highly responsive."

Christoph Mainusch,
CEO, Alpha TV

RTL Televizija **TV audience share**

Source: AGB Nielsen Media Research. Target: 18–49. **2006–2010 (%)**



RTL Televizija in Croatia: In a TV advertising market that continued to decline – by an estimated 4.4 per cent in 2010 (2009: minus 18.1 per cent) – revenue of RTL Televizija was down to €38 million (2009: €41 million). The channel's net TV advertising market share decreased to 41.2 per cent (2009: 42.0 per cent). Despite a further revenue decrease, EBITA remained stable at minus €3 million, mainly reflecting lower programme costs compared to 2009.

In 2010, RTL Televizija remained the market leader in the main commercial target group of viewers aged 18 to 49, reporting an audience share of 24.5 per cent (2009: 26.2 per cent). The decrease was mainly due to continued audience fragmentation. However, the start of the new season 2010/11 saw increasing prime time ratings for RTL Televizija. With an average prime time audience share of 32.3 per cent, December 2010 was the strongest month since January 2009, when the channel broadcast the handball world championship.

Local adaptations of international hit formats continued to be an important part of RTL Televizija's programme schedule. The second season of *Hrvatska traži zvijezdu* (Idols) achieved an average audience share of 36.5 per cent among young viewers – 15 per cent more than the first season in 2009 – while the second season of the reality show *Jezikova juha* (Kitchen Nightmares) attracted an average audience share of 31.0 per cent in the target group.

In autumn, the Turkish series *1001 noć* (1001 nights) became a huge audience favourite. On average, *1001 noć* was watched by 38.8 per cent of the 18 to 49 demographic, and the most watched programme in its slot for 76 of the 86 days on which it was broadcast, making it Croatia's most popular drama series ever.

In October 2010, RTL Televizija revamped its news and magazine formats. The main news show – renamed *RTL Danas* – and the celebrity magazine *Exklusiv Tabloid* launched a fresh new look to Croatian viewers. Igor Bobić now hosts the 35-minute long *RTL Danas* from a purpose-built studio, at 18:30. Total audience share has grown, while share of the main target group, aged 18 to 49, was up 8.1 per cent to 33.5 per cent.

Other audience favourites included US series such as *Bones*, *Mentalist*, *Cold Case*, and *Desperate Housewives*, and movies, with the channel airing 16 of the 20 most watched movies on Croatian television in 2010.

"Continuous programme development and innovation were the recipe to retaining market leadership in the target group for the fifth consecutive year."

Johannes Züll,
CEO, RTL Televizija

Throughout 2010, RTL Televizija strengthened the presence of its brands on all digital platforms. As a result, the main website *RTL.hr* increased the average number of unique users per month by 100 per cent. The site is now among the top 15 websites in Croatia, making it a relevant partner for online advertisers. RTL Televizija's I-Phone app, launched in June 2010, became one of the top three news apps in Croatia.

In September, the Croatian Electronic Media Council granted RTL Televizija a concession for a new specialised channel, named RTL 2. The new channel went on air in January 2011.

National audience breakdown

Source: AGB Nielsen Media Research. Target: 18–49. **2010 (%)**

RTL Lëtzebuerg — **Daily reach**

Source: TNS-ILRes Plurimedia 2010. Target: Luxembourgers 12+.

	2010 (%)
RTL Radio Lëtz.	60.6
RTL Télé Lëtz.*	43.4
RTL.lu	17.0
RTL Lëtzebuerg	**75.9**

*Including Den 2. RTL

In 2010, RTL remained the number one media brand in the Grand Duchy of Luxembourg. Combining its TV, radio and internet activities, **RTL Lëtzebuerg** achieved a daily reach of 75.9 per cent of all Luxembourgers aged 12 years and over (2009: 76.5 per cent).

When it comes to news and entertainment, RTL Radio Lëtzebuerg continues to be the station inhabitants turn to with nearly 200,000 listeners each day (186,300 listeners; Monday to Friday). Meanwhile, RTL Télé Lëtzebuerg scored a prime time audience share of 51.9 per cent (2009: 53.1 per cent, based on viewers aged 12+, Monday to Friday, 19:00 to 20:00).

In July 2010, the channel started broadcasting all of its programmes in high definition (HD). The HD launch coincided with the 'grand depart' of the Tour de France in Rotterdam, giving viewers a vibrant impression of being present at the race. RTL Télé Lëtzebuerg launched four new formats for the 2010/11 season, including the docu-reality show *Success Story* – which helps up-and-coming entrepreneurs to develop their business idea – and the football news magazine *Goal*. In the docu-reality show *Ecolopoly* four contestants spend a month living a lifestyle that is 100 per cent ethical and in complete balance with nature, while, in the comedy show *En neit Doheem* (A New Home), house-hunting individuals are surprised by hidden cameras during property visits when they criticise the current owner's decoration.

RTL Lëtzebuerg's portal *RTL.lu* is the country's most visited website, with a daily reach of 17.0 per cent among Luxembourgers aged 12 and over. The RTL I-Phone app, which allows users to access news, cultural calendars, catch-up TV services and listen to live radio, was launched in March. The free app became Luxembourg's most downloaded application within four hours of its launch. To date it has been downloaded over 70,000 times. The *I-Pad Zeitung* application was launched in October, giving users the chance to consume RTL Lëtzebuerg's extensive media offer on a new platform.

BCE, RTL Group's technical services provider in Luxembourg, continued to migrate the Group's channels to high definition (HD). After successfully migrating the Dutch channels in 2009, in 2010 the company migrated the Group's Belgian and Luxembourg channels to HD. BCE completed an engineering project to design and install a multi-channel broadcasting infrastructure for the French-German public broadcaster Arte in Strasbourg, following a rigorous tender procedure. The company completed its digitisation infrastructure project for the European Parliament, which started in 2008, including its public access and digital archive storage system. The project received the IBC 2010 Innovation Award for Content Management.

"RTL Lëtzebuerg is a complementary media family with a long journalistic tradition and plenty of innovative ideas: we are continually investing in new areas such as HD television and mobile apps."

Alain Berwick,
CEO, RTL Lëtzebuerg

"We are on the right track with our long-term strategy: even in a difficult market environment, we're steadily expanding our reach. This is the result of creativity, diligence and systematic optimisation of our programming and structure."

Gert Zimmer,
CEO, RTL Radio Deutschland

The German radio advertising market grew slightly in 2010. **RTL Radio Deutschland** – RTL Group's German radio holding company – achieved an EBITA of €9 million (2009: €6 million). Most of the stations managed to expand their audience reach, the most important foundation for a strong performance in advertising sales and therefore sustained financial success.

In Berlin – Germany's most competitive radio market with more than 30 FM stations – 104.6 RTL and 105.5 Spreeradio underlined their exceptional position. For the first time, the two channels are the region's number one and two radio stations. With a market share of 18.2 per cent among 14 to 49-year-olds, and 12.2 per cent among listeners aged 10 and over, 104.6 RTL has grown its audience share and is once again market leader. 105.5 Spreeradio came in second with a market share of 10.6 per cent in the 10+ demographic. The station also grew its audience share among 14 to 49-year-olds from 7.8 per cent to 8.5 per cent.

Antenne Bayern once again averaged over one million listeners per hour. For 20 years, the channel has been the most listened to commercial radio station in Germany, and this is the sixth time the station has achieved an average of more than one million listeners per hour.

RTL Radio Deutschland increased its stake in Hit-Radio Antenne Niedersachsen from 36 per cent to 49.9 per cent, further enhancing its position as the station's largest shareholder. Hit-Radio Antenne Niedersachsen is one of Germany's top radio stations. With a service area that extends to Lower Saxony, Bremen and Hamburg, it has a technical reach of around 10 million people, and attracts 2.4 million listeners a day.

At the end of 2010, RTL Group's German radio portfolio comprised investments in 19 stations, most of which are minority holdings because of media ownership constraints in Germany. All portfolio stations reach a total of 27.3 million listeners per day and have a combined average audience of five million listeners per hour.

Following its re-establishment in 2008, sports marketing agency **UFA Sports** continued to grow its portfolio in 2010. Right after signing a ten-year marketing partnership with UFA Sports in May 2009, FC St Pauli – the historic Hamburg football club – advanced to the German premier league, Bundesliga, for the 2010/11 season. In March 2010, the company signed another ten-year marketing partnership, with second league club 1. FC Union Berlin.

Media rights for the 2011 Handball World Championships for men were sold to 43 broadcasters in 160 countries. Other deals closed in 2010 include the global TV rights for Eurasia's Kontinental Ice-Hockey League (KHL) and handling the marketing of all advertising and media exploitation rights for Germany's national basketball team as exclusive service provider to the German Basketball Federation.

UFA Sports markets all TV and media rights to the fights of Felix Sturm, a German boxer and World Champion, as well as handling sponsorship, hospitality and partner relations. In July 2010, UFA Sports joined forces with Asian sports rights specialists and former Fifa lawyers Tom Houseman and Jeff Chue to launch a joint venture – UFA Sports Asia – based in Singapore. In November the Polish football league, Ekstraklasa, appointed UFA Sports to manage the tender process for all its national and international media rights for the seasons 2011/12 to 2013/14.

Antena 3 — TV audience share

Source: TNS Sofres. Target: 16–54.

2006–2010 (%)

10	**11.8**
09	15.4
08	16.8
07	17.8
06	20.4

Grupo Antena 3 in Spain: After a severe downturn in 2009, the Spanish net TV advertising market grew by an estimated 4.0 per cent in 2010. The commercial channels benefited from the fact that the public channels stopped airing advertisements on 1 January 2010, following a new media law. Grupo Antena 3 clearly outperformed the market, with the company’s TV advertising sales surging by 18.5 per cent over the reporting period. As a result, the channel’s net share of the Spanish TV advertising market increased to 27.9 per cent (2009: 24.7 per cent).

On a 100 per cent basis, consolidated revenue of Grupo Antena 3 increased by 14.8 per cent to €808 million (2009: €704 million), while operating profit (EBITDA) rose to €157 million (2009: €81 million) and net profit increased substantially to €109 million (2009: €61 million). The profit share of RTL Group was €24 million (2009: €13 million).

In 2010, the Grupo Antena 3 family achieved a combined audience share of 16.9 per cent in the commercial target group of viewers aged 16 to 54 years, slightly down from 17.6 per cent in 2009.

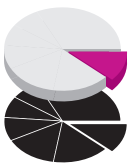
The main channel, Antena 3, reported an audience share of 11.8 per cent in the target group of viewers aged 16 to 54 years (2009: 15.4 per cent). This significant decrease was mainly due to continued audience fragmentation, and to the fact that the channel broadcast none of the matches of the highly popular football World Cup.

Grupo Antena 3’s digital channels continued their rapid growth. Neox (aimed at young adults) was the leading Spanish digital channel, with an audience share of 2.9 per cent in the commercial target group, up significantly from the 1.4 per cent in 2009. Nova (a female-skewed lifestyle channel) also more than doubled its audience share, to 1.7 per cent (2009: 0.8 per cent). In September 2010, the company launched a third digital channel, Nitro, aimed to appeal to male viewers.

National audience breakdown

Source: TNS Sofres. Target: 16–54.

2010 (%)



Antena 3	**11.8**
TVE (TVE 1 + La 2)	15.7
Telecinco	14.8
Cuatro	9.3
La Sexta	8.4
Forta	8.0
Others	32.0

Main portfolio changes

In 2010, RTL Group entered into the process of identifying potential buyers of Five, its TV business located in the United Kingdom. The disposal of the Group's 100 per cent shareholding in Five was completed on 23 July 2010 which has resulted in Five being treated as a discontinued operation for the year ended 31 December 2010.

On 15 April 2010, RTL Group signed option agreements with the controlling shareholders of Ren TV Group. Through these agreements, RTL Group has lost its significant influence reflected as follows:

- The investment was reclassified from "Investments in associates" to "Loans and other financial assets". A fair value adjustment has been recognised (€5 million) in "Financial results other than interest";
- The foreign currency translation differences in relation with this investment were recycled from the other comprehensive income to the income statement for an amount of €(12) million.

On 4 October 2010 FremantleMedia acquired a 62.5 per cent interest in Radical Media, a trans-media company specialising in advertising and branded-entertainment content. This acquisition has been treated as a business combination following the gain of control.

On 18 October 2010, FremantleMedia announced the acquisition of an additional 51 per cent stake in Ludia, a leading developer and publisher of interactive games. The transaction brings FremantleMedia's stake in Ludia to 80 per cent and has been treated as a business combination following the gain of control.

Share of results of associates

EBITA contribution	Year to December 2010 €m	Year to December 2009 €m	Per cent change
– Grupo Antena 3	24	13	+84.6
– RTL II	14	9	+55.6
– RTL Klub (In 2009 from 1 January to 31 March)	–	(2)	n.a.
Others	2	5	(60.0)
Total	**40**	**25**	**+60.0**

The total contribution of the companies accounted for under the equity method increased to €40 million (2009: €25 million). The main reasons for this improvement were the stronger results at Grupo Antena 3 and RTL II. Others include a €3 million impairment charge relating to one of the Group's German radio stations.

Interest income/(expense) and financial results other than interest

Net interest income amounted to €10 million (2009: income of €4 million). The improvement is primarily due to tax-related interest income.

The financial results other than interest include impairments on financial assets as well as fair value adjustments on financial instruments.

Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries, joint ventures and associates

This heading includes the costs related to the amortisation of fair value adjustments on the acquisitions of M6, Radio 538 and Alpha TV. The majority of the expense relates to M6.

Impairment of goodwill, associates and of disposal group

An impairment loss was recorded amounting to €52 million. These impairment losses affect mainly the carrying value of the Group's Greek television activities (€49 million), primarily due to the worse than expected downturn in advertising markets.

Loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

A net loss of €7 million from the sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree was recognised in 2010 (2009: €nil million). This is mainly a result of the following:

- An amount of €12 million relating to the re-cycling of the foreign exchange translation reserve (losses) following the loss of significant influence at Ren TV during the year; and
- Following the gain of control at Ludia, a re-measurement exercise was performed on the Group's initial 29 per cent stake which resulted in a gain of €5 million.

Income tax expense

In 2010, the tax expense was €268 million (2009: expense of €234 million).

Following the PLP agreement (see heading 'Related party transactions'), which was approved by the Board on 26 June 2008, a commission income of €56 million, representing 50 per cent of the tax benefit generated at the level of Bertelsmann AG, has been recorded in tax for the year (2009: €45 million).

Loss from discontinued operations

The loss from discontinued operations for the year of €57 million relates solely to Five, which was disposed of during 2010 (2009: loss of €202 million).

Profit for the year attributable to RTL Group shareholders

The profit for the year attributable to RTL Group shareholders was €611 million (2009: €205 million).

Earnings per share

Reported earnings per share, based upon 153,618,853 shares, was €3.98 (2009: €1.33 per share). The adjusted earnings per share, taking into account the amortisation of fair value adjustments on acquisitions and impairment of goodwill, gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree, net of income tax expense and one-off tax effects, increased by 48.4 per cent to €4.23 (2009: €2.85) per share.

Net cash position

The consolidated net cash position at 31 December 2010 was €1,456 million (31 December 2009: €789 million). The Group continues to generate significant operating cash flow with an EBITA cash conversion of 110 per cent (2009: 106 per cent).

	As at 31 December 2010 €m	As at 31 December 2009 €m
Gross balance sheet debt	(188)	(156)
Less: loans receivable[17]	1	2
Gross financial debt	**(187)**	**(154)**
Add: cash	841	395
Add: marketable securities and other short-term investments	8	6
Add: cash deposit	794	542
Net cash position	**1,456**[18]	**789**

Own shares

RTL Group has an issued share capital of €191,900,551 divided into 154,787,554 fully paid up shares with no defined nominal value.

RTL Group directly and indirectly holds 0.76 per cent (2009: 0.76 per cent) of RTL Group's shares.

Related party transactions

Financing

As at 31 December 2010 RTL Group had various deposits (overnight and up to three months) amounting to €793 million (2009: €539 million) with Bertelsmann AG. These deposits bear an interest rate of either EONIA or EURIBOR plus 10 basis points depending on the duration of the deposit. The overnight deposit has subsequently been rolled over. The total interest income on these deposits for the period ending 31 December 2010 amounted to €5 million (2009: €7 million). As at 31 December 2010 the Group had a €9 million cash pooling payable with Bertelsmann Inc.

Bertelsmann AG granted to RTL Group pledges on all shares of its wholly owned French subsidiary Media Communication SAS and of its wholly owned Spanish subsidiary Media Finance Holding SL as security for all payments due by Bertelsmann AG.

In October 2008, Bertelsmann AG granted to RTL Group a further pledge covering all the shares of its 73.4 per cent owned German subsidiary Gruner + Jahr AG & Co. KG as security for all payments due by Bertelsmann AG.

In November 2008, Bertelsmann AG granted to RTL Group a further pledge covering all the shares of its wholly owned UK subsidiary Bertelsmann UK Limited as security for all payments due by Bertelsmann AG.

Tax

On 26 June 2008, the Board of Directors of RTL Group agreed to proceed with the tax pooling of its indirect subsidiary RTL Group Deutschland GmbH ("RGD") into Bertelsmann Capital Holding GmbH ("BCH"), a direct subsidiary of Bertelsmann AG.

To that effect, RTL Group, through RGD, entered into a Profit and Loss Pooling Agreement ("PLP Agreement") with BCH for a six-year period starting 1 January 2008. Simultaneously, Bertelsmann AG entered into a Compensation Agreement ("Compensation Agreement") with CLT-UFA, a direct subsidiary of RTL Group, providing for the payment to CLT-UFA of an amount compensating the above profit transfer and an additional commission ("Commission") amounting to 50 per cent of the tax saving based upon the taxable profit of RGD.

Through these agreements, as from 1 January 2008, Bertelsmann AG and the RGD sub-group of RTL Group are treated as a single entity for German income tax purposes.

As the PLP Agreement does not give any authority to BCH to instruct or control RGD, it affects neither RTL Group nor RGD's ability to manage their business, including their responsibility to optimise their tax structures as they deem fit. After six years, both PLP and Compensation Agreements are renewable on a yearly basis. RGD and CLT-UFA have the right to request the early termination of the PLP and Compensation Agreements under certain conditions.

In the absence of specific guidance in IFRS, RTL Group has elected to recognise current income taxes related to the RGD sub-group based on the amounts payable to Bertelsmann AG and BCH as a result of the PLP and Compensation agreements described above. Deferred income taxes continue to be recognised, based upon the enacted tax rate, in the consolidated financial statements based on the amounts expected to be utilised by the Group in the future. The Commission, being economically and contractually closely related to the Compensation, is accounted for as a reduction of the tax due under the Agreements.

These agreements increase the Group's net profit. As at 31 December 2010, the balance payable to BCH amounts to €406 million (2009: €368 million) and the balance receivable from Bertelsmann AG amounts to €350 million (2009: €323 million).

The Commission received by CLT-UFA, a direct subsidiary of RTL Group, in 2010 amounts to €56 million (2009: €45 million).

17 The loans receivable relate to TCM (via Groupe M6)
18 Of which €379 million held by Groupe M6 (2009: €83 million)

Share option plan

On 25 July 2000, RTL Group launched a share option plan for certain directors, senior management and employees of the Group. Under the terms of the plan, the option price reflects the market value of the shares on the date that they are granted. The market value is defined as the average stock price on the Brussels exchange for the 20 working days preceding the grant, or as otherwise decided by the Board of Directors. The options vest in equal tranches on the second, third and fourth anniversary of the date of grant, and lapse after 10 years. The total number of options granted and accepted by the beneficiaries at the end of 2010 was 1,200 (2009: 124,800).

Significant litigations

RTL Group is party to legal proceedings in the normal course of its business, both as defendant and claimant.

Most of these claims involve complex issues and the probability of loss and an estimation of damages are difficult to ascertain. A provision is recognised when the risk of a loss becomes likely and when it is possible to make a reasonable estimate of the expected financial effect of a proceeding. The publication of this information on a case-by-case basis, however, would seriously prejudice the company's position in the ongoing legal proceedings or in any related settlement discussions.

The main legal proceedings to which RTL Group is a party are disclosed below.

RTL Group had been made a party to litigation between several of its minority shareholders on the one hand and Bertelsmann and GBL on the other hand in relation to the acquisition by Bertelsmann of the RTL Group shares previously owned by GBL. On 8 July 2003, the Luxembourg Civil Court rejected the claim of the minority shareholders. The judgement was appealed.

In September 2002, the minority shareholders had filed a lawsuit against RTL Group, its Directors, Bertelsmann, BWTV and WAZ with regard to the free float. They were seeking a Court decision obliging RTL Group to increase the free float and prohibiting other defendants to make additional purchases of RTL Group shares.

The minority shareholders also disputed the decision by RTL Group to de-list its shares from the London Stock Exchange. On 31 December 2002, the Court of Appeal of Luxembourg, sitting in summary proceeding, confirmed the Court decision pronounced in summary proceeding on 25 October 2002 that held the claim inadmissible. The de-listing of RTL Group's shares from the London Stock Exchange took effect from 31 December 2002. As a consequence of the de-listing, the minority shareholders requested the Luxembourg Civil Court to order the re-listing of the shares on the London Stock Exchange. On 30 March 2004, the Court decided to join both claims (free float and de-listing) and dismissed the claims of the minority shareholders. The judgement was appealed.

On 12 July 2006, the Court of Appeal of Luxembourg decided to join the claims (swap, free-float and delisting) and confirmed the judgements of the court of first instance. The minority shareholders lodged to the Luxembourg Supreme Court ("Cour de Cassation") a final appeal against this judgement, restricted to a limited set of legal issues not involving RTL Group but linked to the acquisition by Bertelsmann of RTL Group shares previously owned by GBL.

On 21 February 2008, the Luxembourg Supreme Court decided to refer the matter to the European Court of Justice for a preliminary ruling procedure. In its ruling of 16 October 2009, the European Court of Justice decided that according to European law there does not exist a general principle of law under which minority shareholders are protected by an obligation on the dominant shareholder, when acquiring or exercising control of a company, to offer to buy their shares under the same conditions as those agreed when a shareholding conferring or strengthening the control of the dominant shareholder was acquired.

The matter was referred back to the Luxembourg Supreme Court, which was bound by the decision of the European Court of Justice.

On 23 September 2010, the Luxembourg Supreme Court rejected the final appeal of the minority shareholders. With this decision, the Luxembourg Supreme Court has put an end to this litigation, which had no direct impact on RTL Group.

RTL II filed, in November 2008, legal actions against IP Deutschland, a 100 per cent subsidiary of RTL Group, and Seven One Media ("SOM") as a result of the proceedings in 2007 of the German Federal Cartel Office against the discount scheme agreements ("share deals") offered by IP Deutschland and SOM. MTV Networks (Viacom) filed a similar action against IP Deutschland in August 2009 while Tele München TV (Tele 5) filed an action on 1 December 2009. RTL II, Viacom and Tele 5's claims are currently limited to access to information on the basis of which the claimants want to evidence that they suffered damages from these discount schemes. First court hearings were initially planned in 2010 but have subsequently been postponed to the beginning of 2011.

In addition, the German Federal Cartel Office searched in May 2010 the offices of Mediengruppe RTL Deutschland, in connection with an investigation for an alleged coordination with ProSiebenSat1 Media AG of its strategy towards platform operators concerning both the encryption of the free-TV signal and signal protection measures. The outcome of this investigation proceeding cannot be assessed reliably at this point in time, as it is not clear whether allegations will be raised against Mediengruppe RTL Deutschland.

RTL Group and some of its Dutch affiliates were involved in an arbitration proceeding on financial claims filed by Talpa Media Nederland BV and Talpa Holding NV with the Netherlands Arbitration Institute in connection with the combination of the businesses of Talpa and RTL in the Netherlands in 2007. Pursuant to a settlement agreement executed in January 2011, this dispute is fully settled.

Principal risks and uncertainties

Principal risks and uncertainties are disclosed in note 3. to the consolidated financial statements for the financial risks (pages 155 to 161) and in the section "Corporate Governance" for the external and market risks (pages 100 to 101).

Profit appropriation (RTL Group SA)[19]

The statutory accounts of RTL Group SA show a profit for the financial year 2010 of €364 270 679 (2009: loss of €42 642 454). Taking into account the profit brought forward at 31 December 2010 of €(4 053 487), the share premium of €5 723 133 834 and the profit for the year 364 270 679, the amount available for distribution is €6 083 351 026. The Board of Directors recommends to the General Meeting of Shareholders on 20 April 2011 the distribution of a gross final dividend per share of €5.00 (2009: €3.50 per share).

If the General Meeting of Shareholders accepts this proposal, RTL Group will distribute for the financial year 2010 a total dividend of €774 million.

Outlook

Despite the fact that TV profited more strongly than other media from the economic recovery in 2010, it is not possible to give reliable full-year guidance for 2011 at this point in time. As a consequence, RTL Group remains cautious while at the same time being very optimistic about the TV industry's overall growth prospects.

Against this background, RTL Group's strategy pursues two main goals: one is the ongoing, further optimisation of the Group's core business as high audience shares will remain the basis of its success. The other goal is to advance the Group's growth. In 2010, RTL Group strengthened its content arm FremantleMedia via several targeted acquisitions and it will continue to do so in future. RTL Group will also continue to invest in new programmes, new channels and in its rapidly growing new media activities

9 March 2011
The Board of Directors

19 Amounts in € except where stated

Management Responsibility Statement

We, Gerhard Zeiler, Chief Executive Officer, and Elmar Heggen, Chief Financial Officer, confirm, to the best of our knowledge, that the consolidated financial statements which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of RTL Group and the undertakings included in the consolidation taken as a whole, and that the Directors' report includes a fair review of the development and performance of the business and the position of RTL Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 9 March 2011

Gerhard Zeiler
Chief Executive Officer

Elmar Heggen
Chief Financial Officer

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2010

	Notes	2010 €m	2009 €m
Continuing operations			
Revenue	5. 7. 1.	**5,591**	5,156
Other operating income		**54**	43
Consumption of current programme rights		**(1,676)**	(1,673)
Depreciation, amortisation and impairment		**(195)**	(179)
Other operating expenses	7. 2.	**(2,706)**	(2,577)
Impairment of goodwill and of disposal group and amortisation of fair value adjustments on acquisitions of subsidiaries and joint ventures	8. 2. 8. 10.	**(60)**	(88)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	7. 3.	**(7)**	–
Profit from operating activities		**1,001**	682
Share of results of associates	8. 4.	**40**	25
Earnings before interest and taxes ("EBIT")		**1,041**	707
Interest income	7. 4.	**35**	32
Interest expense	7. 4.	**(25)**	(28)
Financial results other than interest	7. 5.	**4**	23
Profit before taxes		**1,055**	734
Income tax expense	7. 6.	**(268)**	(234)
Profit for the year from continuing operations		**787**	500
Discontinued operations			
Loss for the year from discontinued operations	4.	**(57)**	(202)
Profit for the year		**730**	298
Attributable to:			
RTL Group shareholders		**611**	205
Non-controlling interests		**119**	93
Profit for the year		**730**	298
EBITA* (continuing operations)		**1,111**	796
Impairment of goodwill of subsidiaries and joint ventures and of disposal group	8. 2. 8. 10.	**(49)**	(70)
Impairment of investments in associates	8. 4.	**(3)**	(1)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures		**(11)**	(18)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	7. 3.	**(7)**	–
Earnings before interest and taxes ("EBIT")		**1,041**	707
Earnings per share from continuing operations (in €)			
– Basic		**4.34**	2.64
– Diluted		**4.34**	2.64
Earnings per share from discontinued operations (in €)			
– Basic		**(0.36)**	(1.31)
– Diluted		**(0.36)**	(1.31)
Earnings per share (in €)			
– Basic	7. 7.	**3.98**	1.33
– Diluted	7. 7.	**3.98**	1.33

The accompanying notes form an integral part of these consolidated financial statements.

*EBITA represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2010

	Notes	2010 €m	2009 €m
Profit for the year		**730**	298
Other comprehensive income			
Foreign currency translation differences		**21**	(7)
Foreign currency translation differences – associates		**19**	(9)
Effective portion of changes in fair value of cash flow hedges		**26**	(16)
Income tax	8. 6.	**(14)**	7
		12	(9)
Effective portion of changes in fair value of cash flow hedges – associates		**–**	1
Change in fair value of cash flow hedges transferred to profit or loss		**6**	1
Income tax	8. 6.	**(2)**	(1)
		4	–
Fair value gains/(losses) on available-for-sale financial assets	8. 15. 5.	**(1)**	15
Income tax	8. 6.	**–**	–
		(1)	15
Defined benefit plan actuarial losses	8. 14.	**(5)**	(7)
Income tax	8. 6.	**1**	2
		(4)	(5)
Other comprehensive income for the year, net of income tax		**51**	(14)
Total comprehensive income for the year		**781**	284
Attributable to:			
RTL Group shareholders		**653**	194
Non-controlling interests		**128**	90
Total comprehensive income for the year		**781**	284

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2010

	Notes	2010 €m	2009 €m
Non-current assets			
Programme and other rights	8. 1.	**124**	110
Goodwill	8. 1. 8. 2.	**2,708**	2,661
Other intangible assets	8. 1.	**216**	308
Property, plant and equipment	8. 3.	**373**	364
Investments in associates	8. 4.	**358**	416
Loans and other financial assets	8. 5.	**271**	265
Deferred tax assets	8. 6.	**415**	465
		4,465	4,589
Current assets			
Programme rights	8. 7.	**913**	1,147
Other inventories		**38**	34
Income tax receivable		**61**	42
Accounts receivable and other financial assets	8. 8.	**2,506**	2,486
Cash and cash equivalents	8. 9.	**841**	395
Assets classified as held for sale	8. 10.	**–**	23
		4,359	4,127
Current liabilities			
Loans and bank overdrafts	8. 11.	**92**	75
Income tax payable		**115**	152
Accounts payable	8. 12.	**2,250**	2,164
Provisions	8. 13.	**206**	183
Liabilities directly associated with non-current assets classified as held for sale	8. 10.	**–**	10
		2,663	2,584
Net current assets		**1,696**	1,543
Non-current liabilities			
Loans	8. 11.	**96**	81
Accounts payable	8. 12.	**313**	332
Provisions	8. 13.	**113**	131
Deferred tax liabilities	8. 6.	**42**	58
		564	602
Net assets		**5,597**	5,530
Equity attributable to RTL Group shareholders		**5,013**	4,895
Equity attributable to non-controlling interests		**584**	635
Equity	8. 15.	**5,597**	5,530

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital €m	Share premium €m	Treasury shares €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Retained earnings €m	Equity attributable to RTL Group share-holders €m	Equity attributable to non-controlling interests €m	**Total equity €m**
Balance at 1 January 2009		**192**	**6,454**	**(44)**	**(190)**	**11**	**79**	**(1,225)**	**5,277**	**594**	**5,871**
Total comprehensive income:											
Profit for the year		–	–	–	–	–	–	205	205	93	**298**
Foreign currency translation differences	8. 15. 3.	–	–	–	(15)	–	–	–	(15)	(1)	**(16)**
Effective portion of changes in fair value of cash flow hedges, net of tax	8. 15. 4.	–	–	–	–	(7)	–	–	(7)	(1)	**(8)**
Fair value gains on available-for-sale financial assets, net of tax	8. 15. 5.	–	–	–	–	–	15	–	15	–	**15**
Defined benefit plan actuarial losses, net of tax		–	–	–	–	–	–	(4)	(4)	(1)	**(5)**
		–	–	–	(15)	(7)	15	201	194	90	**284**
Capital transactions with owners:											
Dividends	8. 15. 6.	–	–	–	–	–	–	(538)	(538)	(81)	**(619)**
Equity-settled transactions net of tax	8. 15. 7.	–	–	–	–	–	–	2	2	3	**5**
Transactions on non-controlling interests without a change in control	8. 15. 8.	–	–	–	–	–	–	(43)	(43)	1	**(42)**
Gain of control of M-RTL	6. 2.	–	–	–	–	–	3	–	3	26	**29**
Derivatives on equity instruments	8. 15. 9.	–	–	–	–	–	–	1	1	2	**3**
Transactions on treasury shares of associates		–	–	–	–	–	–	(1)	(1)	–	**(1)**
		–	–	–	–	–	3	(579)	(576)	(49)	**(625)**
Balance at 31 December 2009		**192**	**6,454**	**(44)**	**(205)**	**4**	**97**	**(1,603)**	**4,895**	**635**	**5,530**
Total comprehensive income:											
Profit for the year		–	–	–	–	–	–	611	611	119	**730**
Foreign currency translation differences	8. 15. 3.	–	–	–	57	–	–	(25)	32	8	**40**
Effective portion of changes in fair value of cash flow hedges, net of tax	8. 15. 4.	–	–	–	–	11	–	–	11	1	**12**
Change in fair value of cash flow hedges transferred to profit and loss, net of tax		–	–	–	–	4	–	–	4	–	**4**
Fair value losses on available-for-sale financial assets, net of tax	8. 15. 5.	–	–	–	–	–	(1)	–	(1)	–	**(1)**
Defined benefit plan actuarial losses, net of tax		–	–	–	–	–	–	(4)	(4)	–	**(4)**
		–	–	–	57	15	(1)	582	653	128	**781**
Capital transactions with owners:											
Dividends	8. 15. 6.	–	–	–	–	–	–	(538)	(538)	(182)	**(720)**
Equity-settled transactions net of tax	8. 15. 7.	–	–	–	–	–	–	3	3	3	**6**
Transactions on non-controlling interests without a change in control	8. 15. 8.	–	–	–	–	–	–	2	2	(1)	**1**
Transactions on non-controlling interests with a change in control	8. 15. 8.	–	–	–	–	–	–	–	–	3	**3**
Derivatives on equity instruments	8. 15. 9.	–	–	–	–	–	–	(2)	(2)	(2)	**(4)**
		–	–	–	–	–	–	(535)	(535)	(179)	**(714)**
Balance at 31 December 2010		**192**	**6,454**	**(44)**	**(148)**	**19**	**96**	**(1,556)**	**5,013**	**584**	**5,597**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2010

	Notes	2010 €m	2009 €m
Cash flows from operating activities (including discontinued operations)			
Profit before taxes from continuing operations		**1,055**	734
Profit before taxes from discontinued operations		**(57)**	(216)
		998	518
Adjustments for:			
– Depreciation and amortisation		**196**	196
– Value adjustments, impairment and provisions		**134**	435
– Equity-settled share-based payments expenses		**6**	5
– Loss/(gain) on disposal of assets		**32**	(8)
– Financial results including net interest expense and share of results of associates		**(29)**	(16)
Use of provisions	8. 13.	**(62)**	(76)
Working capital changes		**148**	(67)
Income taxes paid		**(293)**	(224)
Net cash from operating activities		**1,130**	763
– thereof from/(used in) discontinued operations		***2***	*(51)*
Cash flows from investing activities (including discontinued operations)			
Acquisitions of:			
– Programme and other rights		**(96)**	(78)
– Subsidiaries and joint ventures net of cash acquired	6. 4.	**(30)**	(14)
– Other intangible and tangible assets		**(131)**	(130)
– Other investments and financial assets		**(18)**	(28)
Current deposit with shareholder	8. 8. 10. 1.	**(254)**	–
		(529)	(250)
Proceeds from the sale of intangible and tangible assets		**19**	19
Disposal of:			
– RTL Shop, net of cash disposed of		**–**	(2)
– Discontinued operation, net of cash disposed of	4.	**108**	–
– Other subsidiaries and joint ventures net of cash disposed of	6. 6.	**4**	2
Proceeds from the sale of associates, other investments and financial assets	8. 8.	**403**	56
Current deposit with shareholder	8. 8. 10. 1.	**–**	60
Interest received		**22**	18
		556	153
Net cash from/(used in) investing activities		**27**	(97)
– thereof from/(used in) discontinued operations		***99***	*(12)*
Cash flows from financing activities (including discontinued operations)			
Interest paid		**(13)**	(29)
Transactions with non-controlling interests	6. 4.	**(1)**	(42)
Proceeds from loans		**64**	109
Repayment of loans		**(43)**	(64)
Net change in bank overdraft		**(1)**	(1)
Dividends paid		**(721)**	(631)
Net cash used in financing activities		**(715)**	(658)
– thereof used in discontinued operations		***(2)***	*(25)*
Net increase in cash and cash equivalents		**442**	8
Cash and cash equivalents at beginning of year		**395**	383
Effect of exchange rate fluctuation on cash held		**4**	4
Cash and cash equivalents at end of year		**841**	395

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

RTL Group SA (the "Company") is a company domiciled in Luxembourg. The consolidated financial statements of the Company for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as "RTL Group" or "the Group") and the Group's interest in associates and jointly controlled entities. RTL Group SA is the parent company of a multinational television, radio and production Group holding, directly or indirectly, investments in 563 companies. The Group operates television channels and radio stations in Europe and produces television content such as game shows and soaps. The list of the principal Group undertakings at 31 December 2010 is set out in note 12.

The Company is listed on the Brussels and Luxembourg Stock Exchanges. Statutory accounts can be obtained at its registered office established at 45, boulevard Pierre Frieden, L-1543 Luxembourg.

The ultimate parent company of RTL Group SA preparing consolidated financial statements, Bertelsmann AG, includes in its consolidated financial statements those of RTL Group SA. Bertelsmann AG is a company incorporated under German law whose registered office is established at Carl-Bertelsmann-Straße 270, D-33311 Gütersloh, Germany. Consolidated financial statements for Bertelsmann AG can be obtained at their registered office.

The consolidated financial statements of the Group were authorised for issue by the Board of Directors on 9 March 2011.

1. 1. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

1. 2. Basis of preparation

1. 2. 1. Consolidated financial statements

The consolidated financial statements are presented in millions of Euro, which is the Company's functional and Group presentation currency, and have been prepared under the historical cost convention except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value;
- Financial instruments at fair value through profit or loss are measured at fair value;
- Available-for-sale financial assets are measured at fair value;
- Liabilities for cash-settled share-based payment arrangements are measured at fair value;
- The defined benefit assets and liabilities are measured in accordance with IAS 19.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next years are discussed in note 2.

The comparative statement of comprehensive income has been re-presented as if an operation discontinued during the current year had been discontinued from the start of the comparative year (see note 4).

1. 2. 2. Changes in accounting policy and disclosures

The accounting policies have been consistently applied by Group entities and are consistent with those used in the previous year, except as follows:

(A) New and amended standards adopted by the Group

The following new standards and amendments to standards are effective for the financial year beginning 1 January 2010:

- IFRS 3 (revised), "Business combinations", and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates", and IAS 31, "Interests in joint ventures", are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with the former version of IFRS 3:
  - For acquisitions on or after 1 January 2010, the Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement. Contingent payments are classified as liability and subsequently re-measured through the income statement.
  - The Group elects on a transaction by transaction basis whether to measure non-controlling interest at fair value, or at their proportionate share of the recognised amount of the identifiable net assets of the acquiree, at the acquisition date.
  - Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.
  - When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future services.
- IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses (this was already the accounting policy applied by RTL Group). The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The change in accounting policy has been applied prospectively and had no impact on the consolidated financial statements as at 31 December 2010.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2010, but are not currently relevant or have a very limited impact for the Group:

- IAS 1 (amendment), "Presentation of financial statements";
- IAS 36 (amendment), "Impairment of assets";
- IAS 39 (amendment), "Financial instruments: Recognition and measurement – eligible hedged items";
- IFRS 1 (amendment), "Additional exemptions for first-time adopters";
- IFRS 2 (amendment), "Group cash-settled share-based payment transactions";
- IFRS 5 (amendment), "Non-current assets held for sale and discontinued operations" ;
- IFRIC 9 (amendment), "Reassessment of embedded derivatives" and IAS 39 "Financial instruments: Recognition and measurement";
- IFRIC 17, "Distributions of non-cash assets to owners";
- IFRIC 18, "Transfers of assets from customers";
- Improvements to International Financial Reporting Standards 2009.

(B) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following new standard has been published and is not effective for the Group's accounting period beginning on 1 January 2010:

- IFRS 9, "Financial instruments" – effective for annual reporting periods beginning on or after 1 January 2013. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. Classification under IFRS 9 is driven by the entity's business model for managing the financial assets and the contractual characteristics of the financial assets. IFRS 9 also removes the requirement to separate embedded derivatives from financial asset hosts. It requires a hybrid contract to be classified in its entirety at either amortised cost or fair value. The Group is yet to assess IFRS 9's full impact (1).

The following new standards, amendments to standards and interpretations have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2011 or later periods but are expected to have a very limited impact for the Group:

(1) These standards and interpretations have not yet been endorsed by the European Union

- IFRS 1 (amendments), "Severe hyperinflation and removal of fixed dates for first-time adopters" – effective from 1 July 2011 (1);
- IFRS 7 (amendments), "Amendments to IFRS 7 Financial instruments: Disclosures" – effective from 1 July 2011 (1);
- IAS 12 (amendment), "Deferred tax: recovery of underlying assets" – effective from 1 January 2012 (1);
- IAS 24 (revised), "Related party disclosures" – effective from 1 January 2011;
- IAS 32 (amendment), "Classification of rights issues" – effective from 1 February 2010;
- IFRIC 14 (amendment), "IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction" – effective from 1 January 2011;
- IFRIC 19, "Extinguishing financial liabilities with equity instruments" – effective from 1 July 2010;
- Improvements to International Financial Reporting Standards 2010 (1).

1. 3.
Principles of consolidation

1. 3. 1.
Subsidiaries

Subsidiaries are those undertakings controlled by the Company. Control exists when the Company has the power or ability ("de facto control"), directly or indirectly, to govern the financial and operating policies of an undertaking so as to obtain benefits from its activities. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity. Directly or indirectly held subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control ceases.

The full consolidation method is used, whereby the assets, liabilities, income and expenses are fully incorporated. The proportion of the net assets and net income attributable to non-controlling interest is presented separately as a non-controlling interest in the consolidated statement of financial position and in the consolidated income statement.

Accounting for business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisitions prior to 1 January 2010

The cost of an acquisition was measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination were measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired was recorded as goodwill. If the cost of acquisition was less than the fair value of the net assets of the subsidiary acquired, the difference was recognised directly in the income statement.

When an acquisition was completed by a series of successive transactions, each significant transaction was considered individually for the purpose of the determination of the fair value of the identifiable assets, liabilities and contingent liabilities acquired and hence for the goodwill associated with the acquisition.

The fair values of the identifiable assets, liabilities and contingent liabilities acquired could vary at the date of each transaction. When a transaction resulted in

(1) These standards and interpretations have not yet been endorsed by the European Union

taking control over the entity, the interests previously held in that entity were re-valued on the basis of the fair values of the identifiable assets and liabilities at that date. The contra posting for this revaluation was recorded directly in revaluation reserve in equity.

Accounting for transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For acquisitions from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

1. 3. 2.

Joint ventures

A joint venture is an entity where the control of economic activity is contractually shared with one or more parties whereby no party on its own exercises effective control.

The purchase method of accounting is used to account for the acquisition of joint ventures by the Group.

Joint ventures are accounted for using proportionate consolidation. Under this method the Group includes its proportionate share of the joint venture's income and expenses, assets and liabilities and cash flows in the relevant components of the consolidated financial statements, on a line-by-line basis.

1. 3. 3.

Associates

Associates are defined as those investments, not classified as either subsidiaries or joint ventures, where the Group is able to exercise a significant influence. Such investments are recorded in the consolidated statement of financial position using the equity method of accounting and are initially recognised at cost. Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against "Investments in associates".

The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group has decided not to reverse any impairment loss recognised and allocated to goodwill on associates prior to 1 January 2009. This cumulated impairment loss amounts to €293 million.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

1. 3. 4.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the undertaking. Unrealised gains resulting from transactions with associates are eliminated against the investment in the associates. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

1. 4.

Foreign currency translation

1. 4. 1.

Foreign currency translations and balances

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Euro at foreign exchange rates ruling at the date the fair value was determined.

1. 4. 2.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill, except for goodwill arising from acquisitions before 1 January 2004, and fair value adjustments arising on consolidation, are translated to Euro using the foreign exchange rate prevailing at the reporting date. Income and expenses are translated at the average exchange rate for the year under review. The foreign currency translation differences resulting from this treatment and those resulting from the translation of the foreign operations' opening net asset values at year-end rates are recognised directly in a separate component of equity.

Exchange differences arising from the translation of the net investment in a foreign operation, or associated undertaking and financial instruments, which are designated and qualified as hedges of such investments, are recognised directly in a separate component of equity. On disposal or partial disposal of a foreign operation, such exchange differences or proportion of exchange differences are recognised in the income statement as part of the gain or loss on sale.

1. 5.
Derivative financial instruments and hedging activities

Fair value
Derivative financial instruments are initially recognised at fair value in the statement of financial position at the date a derivative contract is entered into and are subsequently re-measured at fair value.

The fair value of foreign currency forward contracts is determined by using forward exchange market rates at the reporting date.

Cash flow hedging
For qualifying hedge relationships, the Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge. This process includes linking all derivatives designated as hedges to specific assets and liabilities or to specific firm commitments or forecast transactions. The Group also documents, both at the hedge inception and on an ongoing basis, its assessment of whether the hedging derivatives are effective in offsetting changes in fair values or cash flows of the hedged items.

The accounting treatment applied to cash flow hedges in respect of off-balance sheet assets and liabilities can be summarised as follows:

- For qualifying hedges, the effective component of fair value changes on the hedging instrument (mostly foreign currency forward contracts or cash balances in foreign currencies) is deferred in “Hedging reserve”;
- Amounts deferred in “Hedging reserve” are subsequently released to the income statement in the periods in which the hedged item impacts the income statement or are used to adjust the carrying value of assets purchased (basis adjustment). When hedging forecast purchases of programme rights in foreign currency, releases from equity via a basis adjustment occurs when the programme right is recognised on-balance sheet in accordance with the Group’s policy;
- The ineffective component of the fair value changes on the hedging instrument is recorded directly in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting under IAS 39, any cumulative gain or loss included in the “Hedging reserve” is deferred until the committed or forecast transaction ultimately impacts the income statement. However, if a committed or forecast transaction is no longer expected to occur, then the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

1. 6.
Current/non-current distinction
Current assets are assets expected to be realised or consumed in the normal course of the Group’s operating cycle (normally within one year). All other assets are classified as non-current assets.

Current liabilities are liabilities expected to be settled by use of cash generated in the normal course of the Group’s operating cycle (normally within one year) or liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

1. 7.
Intangible assets

1. 7. 1.
Non-current programme and other rights
Non-current programme and other rights are initially recognised at acquisition cost or production cost which includes staff costs and an appropriate portion of relevant overheads, when the Group controls, in substance, the respective assets and the risks and rewards attached to them.

Non-current programme and other rights include (co-) productions, audiovisual and other rights acquired, with the primary intention to broadcast or sell them as part of the Group’s long-term operations. Other rights include broadcasting rights for sport events, advertising, sponsoring, ticketing, and merchandising rights. Non-current programme and other rights are amortised based on expected revenue. The amortisation charge is based on the ratio of net revenue for the period over total estimated net revenue. Estimates of total net revenue are reviewed periodically and additional impairment losses are recognised if appropriate.

1. 7. 2.
Goodwill
Business combinations are accounted for using the acquisition method as at the acquisition date. Goodwill arising from applying this method is measured at initial recognition as detailed in note 1.3.1.

Goodwill on acquisitions of subsidiaries and joint ventures is recognised as an intangible asset. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of the cash-generating units represents the Group’s investment in a geographical area of operation by business segment except for the content business, which is considered as a sole cash-generating unit for worldwide operations.

No goodwill is recognised on an acquisition of non-controlling interest.

Goodwill on acquisitions of associates is included in "Investments in associates".

Negative goodwill arising on an acquisition is recognised directly in the income statement.

1. 7. 3.
Other intangible assets

Other intangible assets with a definite useful life, which are acquired by the Group, are stated at cost less accumulated amortisation and impairment losses. They comprise licences (other than (co-)production, audiovisual and other rights), trademarks and similar rights as well as EDP software. They are amortised on a straight-line basis over their estimated useful life as follows:

- Licences: seven to 20 years;
- Software: maximum three years.

Brands, unless an indefinite useful life can be justified, and customer relationships acquired through business combinations are amortised on a straight-line basis over their estimated useful life.

Other intangible assets with an indefinite useful life are tested annually for impairment and whenever there is an indication that the intangible asset may be impaired.

1. 8.
Property, plant and equipment

1. 8. 1.
Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful lives of the assets as follows:

- Land: nil;
- Buildings: ten to 25 years;
- Technical equipment: four to ten years;
- Other fixtures and fittings, tools and equipment: three to ten years.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Depreciation methods and useful lives, as well as residual values, are reassessed annually.

1. 8. 2.
Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Assets held under finance leases and the related obligations are recognised on the statement of financial position at the lower of their fair value and the present value of minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Such assets are depreciated on the same basis as owned assets (see note 1.8.1.) or lease term if no evidence of lessee will obtain ownership. Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the outstanding finance balance. The corresponding lease obligations, net of finance charges, are included in loans payable. The interest element of the finance charge is charged to the income statement over the lease period.

Leases where all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

1. 8. 3.
Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised, with the carrying amount of the component that is to be replaced being written off. Other subsequent expenditure is capitalised only when it increases the future economic benefits that will be derived from the item of property, plant and equipment. All other expenditure is expensed as incurred.

1. 9.
Loans and other financial assets

Loans are recognised initially at fair value plus transaction costs. In subsequent periods, loans are stated at amortised cost using the effective yield method, less any valuation allowance for credit risk. Any difference between nominal value, net of transaction costs, and redemption value is recognised using the effective interest method in the income statement over the period of the loan.

Non-current and current investments comprise available-for-sale assets and other financial assets at fair value through profit or loss.

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale and are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Available-for-sale investments are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are included, net of deferred income tax, in other comprehensive income (revaluation reserve) in the period in which they arise.

Financial instruments are at fair value through profit or loss if they contain one or more embedded derivatives which cannot be measured separately. They are initially recognised at fair value, and transaction costs are expensed in the income statement. Changes in fair value are recognised in the income statement.

All purchases and sales of non-current and current investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

The fair value of publicly traded investments is based on quoted market prices at the reporting date. The fair value of non-publicly traded investments is based on the estimated discounted value of future cash flows.

1. 10.
Current programme rights

Current programme rights are initially recognised at acquisition cost or Group production cost when the Group controls, in substance, the respective assets and the risks and rewards attached to them.

Current programme rights include programmes in progress, (co-)productions as well as rights acquired with the primary intention to broadcast or sell them in the normal course of the Group's operating cycle. Current programme rights include an appropriate portion of overheads and are stated at the lower of cost and net realisable value. They are consumed based on either the expected number of transmissions or expected revenue in order to match the costs of consumption with the benefits received. The rates of consumption applied for broadcasting rights are the following:

- Blockbusters (films which have been a box office success), mini-series (primarily own productions with a large budget), other films, series, TV movies and (co-)productions are mainly consumed over a maximum of two transmissions as follows: 67 per cent upon the first transmission, with the remainder upon the second transmission;
- Soaps, in-house productions, quiz and game shows, sports and other events, documentaries and music shows are fully consumed upon the first transmission;
- Children's programmes and cartoons are consumed over a maximum of two transmissions as follows: at least 50 per cent upon the first transmission, with the remainder upon the second transmission.

1. 11.
Accounts receivable

Trade accounts receivable arise from the sale of goods and services related to the Group's operating activities. Other accounts receivable include, in addition to deposits and amounts related to Profit and Loss Pooling and compensation agreements with RTL Group's controlling shareholder, VAT recoverable, prepaid expenses and the fair value of derivative assets. Trade and other accounts receivable are measured at amortised cost. Impairment losses on trade and other accounts receivable, except derivative assets, are recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within depreciation, amortisation and impairment. When a trade receivable is uncollectible, it is written off against the allowance account for trade accounts receivable. Subsequent recoveries of amounts previously written off are credited against depreciation, amortisation and impairment in the income statement.

Accrued income is stated at the amounts expected to be received.

1. 12.
Cash and cash equivalents

Cash consists of cash in hand and at bank.

Cash equivalents are assets that are readily convertible into cash such as short-term highly liquid investments, including money market funds, commercial papers, bank deposits and marketable securities, which all mature within three months from the date of purchase.

Bank overdrafts are included within current liabilities.

1. 13.
Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use and fair value less costs to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of assets other than goodwill, an impairment loss is reversed when there is an indication that the conditions that caused the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. The carrying value after the reversal of the impairment loss cannot exceed the carrying amount that would have been determined, net of depreciation as amortisation, if no impairment loss had been recognised.

1. 14.

Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. In the case of equity securities classified as available-for-sale assets, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade accounts receivable is described in note 1.11.

1. 15.

Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

1. 16.

Accounts payable

Trade accounts payable arise from the purchase of assets, goods and services relating to the Group's operating activities. Other accounts payable comprise, in addition to amounts related to the Profit and Loss Pooling (PLP) agreement with RTL Group's controlling shareholder, VAT payable, fair value of derivative liabilities, accrued expenses and payables on capital expenditure. Trade and other accounts payable are measured at amortised cost using the effective interest method, except derivative liabilities, which are measured at fair value.

1. 17.

Loans payable

Interest-bearing current and non-current liabilities are recognised initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing current and non-current liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method.

1. 18.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation to transfer economic benefits as a result of past events. The amounts recognised represent management's best estimate of the expenditures that will be required to settle the obligation as of the reporting date. Provisions are measured by discounting the expected future cash flows to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. Costs relating to the ongoing activities of the Group are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

1. 19.

Employee benefits

1. 19. 1.

Pension benefits

The Group operates or participates in both defined contribution and defined benefit plans, according to the national laws and regulations of the countries in which it operates. The assets of the plans are generally held in separate trustee-administered funds and some of the plans are operated through pension funds that are legally independent from the Group.

The pension plans are generally funded by payments from employees and by the relevant Group companies, taking into account the recommendations of independent qualified actuaries.

Pension costs and obligations relating to defined benefit plans are recognised based on the projected unit credit method. The Group recognises actuarial gains and losses in other comprehensive income.

Pension costs relating to defined contribution plans (including deferred compensation plans that are defined contribution plans in nature) are recognised when an employee has rendered service in exchange for the contributions due by the employer.

1. 19. 2.

Other benefits

Many Group companies provide death in service benefits, and spouse and children's benefits. The costs associated with these benefits are recognised when an employee has rendered service in exchange for the contributions due by the employer.

1. 19. 3.

Share-based transactions

Share options are granted to certain directors and senior employees. The options are granted at the market price on the date of the grant and are exercisable at that price.

For share options that were granted before 7 November 2002, no compensation cost is recognised in the income statement. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital and share premium.

For share options that were granted after 7 November 2002, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

1. 20.

Share capital

1. 20. 1.

Equity transaction costs

Incremental external costs directly attributable to the issue of new shares, other than in connection with a business combination, are deducted, net of the related income taxes, against the gross proceeds recorded in equity. Share issue costs incurred in connection with a business combination are included in the cost of acquisition.

1. 20. 2.

Treasury shares

Where the Company or its subsidiaries purchase the Company's own equity shares, the consideration paid, including any attributable transaction costs net of income taxes, is shown in deduction of equity as "Treasury shares".

1. 20. 3.

Dividends

Dividends on ordinary shares are recorded in the consolidated financial statements in the period in which they are approved by the Company's shareholders.

1. 21.

Revenue presentation and recognition

Revenue includes sales of rights and licence income, (co-)productions, advertising revenue and other sales, net of sales deductions such as cash rebates, credit notes, discounts, refunds and VAT. Revenue comprises the fair value of consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Agency commissions are presented as a deduction from advertising revenue.

Revenue is recognised when the Group has transferred the significant risks and rewards of ownership and the control over the goods sold and the amount of revenue can be measured reliably. Specifically, advertising sales are recognised when the related advertisement or commercial is broadcast and sales of programme rights under licences are recognised when the programme material has been accepted by the licensee as being in accordance with the conditions of the licence agreement.

Barter revenue is recognised if goods or services in a barter transaction are of a dissimilar nature and if revenue has economic substance and can be reliably measured. Revenue from barter transactions is recognised at the fair value of the goods or services received, adjusted for any cash involved in the transaction.

1. 22.

Government grants

Grants from governments and inter-governmental agencies are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants related to assets are initially presented as a deduction in arriving at the carrying amount of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same period in which the expenses are recognised.

1. 23.

Interest income/expense

Interest income/expense is recognised on a time proportion basis using the effective interest method.

1. 24.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted in the countries where the company's subsidiaries, joint ventures and associates operate and generate taxable income at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred taxes are recognised according to the balance sheet liability method on any temporary difference between the carrying amount for consolidation purposes and the tax base of the Group's assets and liabilities. Temporary differences are not provided for when the initial recognition of assets or liabilities affects neither accounting nor taxable profit and when differences relate to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. No temporary differences are recognised on the initial recognition of goodwill. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

1. 25.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

1. 26.

Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The only category of dilutive potential ordinary shares is share options.

1. 27.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

All operating segments' operating results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The invested capital is disclosed for each reportable segment as reported to the Executive Committee. The segment assets include the following items:

- The non-current assets, except the incremental fair value of the available-for-sale investments, the surplus of the defined benefit plans and the deferred tax assets;
- The current assets, except the income tax receivable, the fair value of derivative assets, the current deposit with the shareholder, the Canal Plus France hybrid instrument (only for 2009 comparative information), the account receivable from the shareholder in relation to the PLP agreement, the accounts receivable related to dividend income, the fixed-term deposits and cash and cash equivalents.

The segment assets and liabilities are consistently measured with those of the statement of financial position.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2. 1.

Programme and other rights (assets and provisions for onerous contracts)

The Group's accounting for non-current programme rights requires management judgement as it relates to estimates made of total net revenue used in the determination of the amortisation charge and impairment loss for the year.

In addition, management's judgement will need to take into account factors such as the future programme grid, the realised/expected audience of the programme, the current programme rights that are not likely to be broadcast, and the related valuation allowance.

Provisions for onerous contracts related to programme and other rights are also recognised when the Group has constructive obligations and it is probable that unavoidable costs exceed the economic benefits. These provisions have been determined by discounting the expected future cash inflows for which the amount and timing are dependent on future events, notably sports events.

2. 2.

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.7.2.

The Group has used a combination of long-term trends, industry forecasts and in-house knowledge, with greater emphasis on recent experience, in forming the assumptions about the development of the various advertising markets in which the Group operates. This is an area highly exposed to the general economic conditions.

The state of the advertising market is just one of the key operational drivers which the Group uses when assessing individual business models. Other key drivers include audience shares, advertising market shares, the EBITA margin and cash conversion rates.

All of these different elements are variable, inter-related and difficult to isolate as the main driver of the various business models and respective valuations.

The Group performs sensitivity analysis on the cash-generating units, especially on those where the headroom between the recoverable amount and the carrying value is low.

2. 3.

Fair value of contingent consideration

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination, and subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flow and takes into account the probability of meeting each performance target.

2. 4.

Fair value of available-for-sale investments and financial assets at fair value through profit or loss

The Group has used discounted cash flow analysis for various available-for-sale investments and financial assets at fair value through profit or loss that were not traded in active markets.

The carrying amount of available-for-sale investments would be an estimated €5 million lower or higher were the discount rates used in the discounted cash flow analysis to differ by 10 per cent from management's estimates.

2. 5.

Provisions for litigations

Most claims involve complex issues, and the probability of loss and an estimation of damages are difficult to ascertain. A provision is recognised when the risk of a loss becomes more likely than not and when it is possible to make a reasonable estimate of the expected financial effect.

2. 6.

Income and deferred taxes

The Group is subject to income taxes in numerous jurisdictions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised. Management judgement is required to assess probable future taxable profits. In 2010, deferred tax assets on losses carry-forwards (mainly in Germany, €44 million; 2009: €53 million) and on temporary differences (mainly in Germany, €294 million; 2009: €320 million) have been reassessed on the basis of currently implemented tax strategies.

2. 7. Post-employment benefits

The Group has adopted the following approaches for the pension assumptions:

- The discount rate is determined by reference to market yields at the closing on high quality corporate bonds;
- The expected return on plan assets is based on market expectations at the beginning of the period;
- Estimate of future salary increases mainly take account of inflation, seniority, promotion and supply and demand in the employment market.

3. FINANCIAL RISK MANAGEMENT

Group Treasury carries out risk management activities in accordance with Treasury policies issued and approved by the Board of Directors. The Board has issued written principles for overall risk management as well as written policies covering specific areas, such as market risk, credit risk and liquidity risk.

The Group is exposed in particular to risks from movements in exchange rates as it engages in long-term purchase contracts for programme rights (output deals) denominated in foreign currency. The Group seeks to minimise the potential adverse effects of changing financial markets on its performance through the use of derivative financial instruments such as foreign exchange forward contracts. Derivatives are not used for speculative purposes.

Risks are hedged to the extent that they influence the Group's cash flows (i.e. translational risk is not hedged). The Group resorts on an ongoing basis to cash flow hedges that qualify as hedging instruments.

Market risk

Foreign exchange risk

Foreign exchange exposure

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

For the Group as a whole, cash flow, net income and net worth are optimised by reference to Euro. However, foreign exchange risks faced by individual Group companies are managed or hedged against the functional currency of the relevant entity (as these entities generally generate their revenue in local currencies). Hence, the Group manages a variety of currencies due to the numerous functional currencies of the companies constituting the Group.

In addition to this geographic reason generating foreign exchange risk, market practices in the television business imply a significant forward exposure to USD (as programme rights are usually denominated in USD and not paid upfront). This explains why the main off-balance sheet exposure of the Group is towards the USD in respect of future purchases and sales of programme rights, output deals (commitments for future cash flows) and highly probable forecast transactions.

Management of the foreign exchange exposure

The management of RTL Group's foreign exchange exposure is carried out centrally by Group Treasury, which might decide to hedge on the one hand the balance sheet exposure (for which the Group does not elect to use hedge accounting) and on the other hand the forecast transactions arising from the operations (off-balance sheet commitments for which hedge accounting might be used). In order to manage the latter, Group Treasury collects from its affiliates their forecasts of foreign currency exposures arising from signed and forecast output deals and programme rights on an ongoing basis in order to monitor and hedge the Group's overall foreign currency exposure. All foreign currency exchange deals are centralised in a global intranet-based database. Group Treasury is then responsible for hedging, on a one-to-one basis, the exposure against the functional currency of the respective entity above the materiality level of € 100,000 in each currency by using external foreign currency derivative contracts. Below this threshold, hedging is done on a bulk basis.

Entities exposed to foreign currency risk are responsible for hedging their exposures in accordance with policies set out by Group Treasury. The foreign currency management policy of the Group is to hedge up to 100 per cent of the recognised monetary foreign currency exposures arising from cash, receivables, payables, loans and borrowings denominated in currencies other than the functional currency. In total, Group companies hedge around 80 per cent of known cash flows which constitute firm commitments or highly probable forecast transactions. The Group policy is to hedge between 80 per cent and 100 per cent of short-term cash flow forecasts and between 15 per cent and 85 per cent of longer term (between two and five years) cash flow forecasts.

In order to monitor the compliance of the management of the foreign exchange exposure with the Group's policy, a monthly report is produced. This report shows for each subsidiary their exposure to currencies other than their functional currency, detailing the nature (e.g. trade accounts, royalties, inter-company accounts) of on-balance sheet items, and the underlying deals and maturities of off-balance sheet items, as well as the corresponding hedging ratios. A specific report showing the global USD exposure (representing the main exposure) is provided to RTL Group management on a monthly basis.

Accounting

The Group's policy is not to apply a foreign currency hedge accounting model defined under IAS 39 for economic hedges or exposures arising from recognised foreign currency monetary assets and liabilities. This is because there is a natural offset of gains and losses in the income statement between the revaluation of the hedging derivative and the hedged exposure.

The foreign currency cash flow hedge accounting model defined under IAS 39 is applied by those companies which account for the majority of the Group's foreign currency exposure, when:

- Hedged foreign currency exposures relate to programme rights transactions which have not yet been recognised on the statement of financial position (such as forecast or firm purchases of programme rights for which the licence period has not yet begun); and
- Amounts are sufficiently material to justify the need for hedge accounting.

The effective portion of the changes in the fair value of the hedging instruments is recognised net of deferred tax in the hedging reserve in equity (see note 8.15.4.). It is released to the carrying value of the hedged item when such an item is recognised in the statement of financial position. The ineffective portion of the change in fair value of the hedging instrument (swap points) is recognised directly in the profit or loss. For the year ended 31 December 2010, the amount of ineffectiveness (see note 7.5.) that has been posted to the income statement during the period (e.g. the forward points that have not been booked in equity during the period) is €1 million (€(12) million in 2009).

Hedges

The number of foreign currency cash flow hedge relationships amounts to 381 at year-end 2010 (362 at year-end 2009). The impact of forward foreign exchange contracts is detailed as follows:

	2010 €m	2009 €m
Net fair value of derivative (assets)/liabilities (see notes 8.8. and 8.12.)	**(36)**	3
Operating foreign exchange gains/(losses)	**1**	(23)
Cash flow hedges ineffectiveness losses (see note 7.5.)	**1**	(12)

	2010 €m	2009 €m
Less than 3 months	**(4)**	2
Less than 1 year	**(8)**	(1)
Less than 5 years	**(24)**	2
Net fair value of derivative (assets)/liabilities (see notes 8.8. and 8.12.)	**(36)**	3

The split by maturities of notional amounts of forward exchange contracts at 31 December 2010 is, for the main foreign currencies, as follows:

	2011 £m	2012 £m	2013 £m	2014 £m	>2014 £m	**Total £m**
Buy	149	14	4	7	–	174
Sell	(267)	(1)	(1)	(1)	–	(270)
Total	**(118)**	**13**	**3**	**6**	**–**	**(96)**

	2011 $m	2012 $m	2013 $m	2014 $m	>2014 $m	**Total $m**
Buy	753	270	138	72	43	1,276
Sell	(207)	(18)	(3)	–	–	(228)
Total	**546**	**252**	**135**	**72**	**43**	**1,048**

The split by maturities of notional amounts of forward exchange contracts at 31 December 2009 is, for the main foreign currencies, as follows:

	2010 £m	2011 £m	2012 £m	2013 £m	>2013 £m	**Total £m**
Buy	212	22	2	–	–	236
Sell	(524)	(62)	(25)	(4)	(3)	(618)
Total	**(312)**	**(40)**	**(23)**	**(4)**	**(3)**	**(382)**

	2010 $m	2011 $m	2012 $m	2013 $m	>2013 $m	**Total $m**
Buy	632	326	220	132	114	1,424
Sell	(167)	(28)	(3)	–	–	(198)
Total	**465**	**298**	**217**	**132**	**114**	**1,226**

Sensitivity analysis to foreign exchange rates

The Group estimates that:

- If the USD had been 10 per cent stronger compared to the Euro (respectively weaker), with all other variables held constant, this would have resulted in a pre-tax €5 million loss (respectively gain) for the Group, and in an additional pre-tax €64 million income (respectively expense) recognised in equity;
- If the GBP had been 10 per cent stronger compared to the Euro (respectively weaker), with all other variables held constant, this would have resulted in a pre-tax nil gain (respectively loss) for the Group, and an additional pre-tax €1 million expense (respectively income) recognised in equity;
- If other currencies had been 10 per cent stronger compared to the Euro (respectively weaker), with all other variables held constant, this would have had no material impact on profit or loss and equity.

This sensitivity analysis does not include the impact of translation of foreign operations.

Interest rate risk

The management of interest rate risk is centralised at the level of Group Treasury. The objective of the interest rate risk management policy is to minimise the interest rate funding cost over the long-term and to maximise the excess cash return.

In order to achieve this objective a cross border Euro cash pooling has been set up. The Group also believes that using floating rate rather than fixed rate debt in a positive yield curve environment supports that goal. This policy will be maintained as long as the Risk Management Committee judges the level of the mix between fixed and floating rates is appropriate. At 31 December 2010, the fixed/floating mix was: 4 per cent/96 per cent (8 per cent/92 per cent in 2009). Frequent benchmarks about interest rates are carried out in order to have this mix evolving along with market conditions.

Group Treasury uses various indicators to monitor interest rate risk such as a targeted net fixed/floating rate debt ratio, duration, basis point value (increase in interest rate costs resulting from a basis point increase in interest rate) and interest cover ratio (i.e. adjusted EBITA over net interest expense as defined by rating agencies).

Assuming the actual amount of floating net cash available remains constant, it has been calculated that if the interest rates achieved would drop (respectively increase) by 100 basis points, at 31 December 2010, the interest income would subsequently drop (respectively increase) by €15 million (€9 million in 2009).

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at balance sheet date and the periods in which they re-price:

	Notes	Effective interest rate %	Total amount (1) €m	6 months or less €m	6–12 months €m	1–2 years €m	2–5 years €m	Over 5 years €m
Other loans – fixed rate	8. 5.	5.3	71	–	71	–	–	–
Other loans – floating rate	8. 5.	0.7	6	3	3	–	–	–
Current deposit with shareholder – floating rate	8. 8.	1.1	793	793	–	–	–	–
Cash and cash equivalents (earning assets)	8. 9.	0.9	822	822	–	–	–	–
Bank loans – floating rate	8. 11.	3.5	(116)	(55)	(61)	–	–	–
Bank overdrafts	8. 11.	0.5	(3)	(3)	–	–	–	–
Leasing liabilities – fixed rate	8. 11.	5.6	(12)	(9)	(1)	(1)	(1)	–
Loans from other financial institutions – floating rate	8. 11.	4.3	(6)	(6)	–	–	–	–
Current debt with shareholder – floating rate	8. 11.	1.8	(9)	(9)	–	–	–	–
Loans payable – floating rate	8. 11.	2.3	(35)	(31)	(4)	–	–	–
At 31 December 2010			**1,511**	**1,505**	**8**	**(1)**	**(1)**	**–**
Other loans – fixed rate	8. 5.	5.3	67	–	–	–	67	–
Other loans – floating rate	8. 5.	0.5	6	2	4	–	–	–
Current deposit with shareholder – floating rate	8. 8.	0.5	542	542	–	–	–	–
Cash and cash equivalents (earning assets)	8. 9.	0.6	381	381	–	–	–	–
Bank loans – floating rate	8. 11.	3.5	(105)	(30)	(75)	–	–	–
Bank overdrafts	8. 11.	0.2	(5)	(5)	–	–	–	–
Leasing liabilities – floating rate	8. 11.	3.4	(2)	–	(2)	–	–	–
Leasing liabilities – fixed rate	8. 11.	6.3	(10)	–	–	(10)	–	–
Loans from other financial institutions – floating rate	8. 11.	5.3	(12)	–	(12)	–	–	–
Loans payable – floating rate	8. 11.	2.1	(22)	(16)	(6)	–	–	–
At 31 December 2009			**840**	**874**	**(91)**	**(10)**	**67**	**–**

(1) Excluding accrued interests

Credit risk

RTL Group's exposure to credit risk arises primarily through sales made to customers. Hence this risk primarily relates to trade receivables.

The Group's television and radio operations incur exposure to credit risk when making transactions with advertising agencies or direct customers. In 2010, the combined television and radio advertising revenue contributed 62 per cent of the Group's turnover. Due to its business model, RTL Group's exposure to financial risk is directly linked to the final client, however the risks are considered as weak due to the size of the individual companies or agency groups.

RTL Group produces programmes which are sold or licensed to state-owned and commercial television channels. In 2010, these activities contributed 24 per cent of the Group's turnover. Given the limited number of television broadcasters in different countries, there is a high degree of concentration of credit risk. However, given the long-standing relationships between content provider and broadcasters and the fact that the customers are large businesses with solid financial positions, the level of credit risk is significantly mitigated.

RTL Group also has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The carrying amount of financial assets represents their maximum credit exposure.

Ageing of financial assets (excluding the available-for-sale investments for an amount of €111 million) at 31 December 2010:

	Gross carrying amount (1, 2) €m	Neither impaired nor past due on the reporting date €m	Not impaired as of the reporting date and past due by <= 1 month €m	2–3 months €m	3–6 months €m	6–12 months €m	Over 1 year €m	Gross amount impaired €m
Loans and other non-current financial assets	162	156	–	–	–	–	–	6
Trade accounts receivable	1,044	728	118	45	29	26	27	71
Accounts receivable from associates	20	20	–	–	–	–	–	–
Current deposit with shareholder	794	794	–	–	–	–	–	–
Other accounts receivable and current financial assets	724	714	4	1	–	–	–	5
Cash and cash equivalents	841	841	–	–	–	–	–	–
At 31 December 2010	**3,585**	**3,253**	**122**	**46**	**29**	**26**	**27**	**82**

Ageing of financial assets (excluding the available-for-sale investments for an amount of €111 million) at 31 December 2009:

	Gross carrying amount (1, 2) €m	Neither impaired nor past due on the reporting date €m	Not impaired as of the reporting date and past due by <= 1 month €m	2–3 months €m	3–6 months €m	6–12 months €m	Over 1 year €m	Gross amount impaired €m
Loans and other non-current financial assets	158	151	–	–	–	–	–	7
Trade accounts receivable	1,003	732	103	37	18	11	26	76
Accounts receivable from associates	30	30	–	–	–	–	–	–
Current deposit with shareholder	542	542	–	–	–	–	–	–
Canal Plus France	384	384	–	–	–	–	–	–
Other accounts receivable and current financial assets	604	597	2	1	–	–	–	4
Cash and cash equivalents	395	395	–	–	–	–	–	–
At 31 December 2009	**3,116**	**2,831**	**105**	**38**	**18**	**11**	**26**	**87**

(1) At 31 December 2010, cumulated valuation allowance amounted to €82 million
(2) At 31 December 2009, cumulated valuation allowance amounted to €84 million

The top ten trade accounts receivable represent €110 million (2009: €87 million) while the top 50 trade accounts receivable represent €304 million (2009: €260 million).

The Group has a significant concentration of credit risk due to its relationship with Bertelsmann AG. Nevertheless, credit risk arising from transactions with shareholders is carefully mitigated (see note 10.1.).

According to the bank policy of the Group, derivative instruments and cash transactions (including bank deposits and investment in money market funds) are operated only with high credit quality financial institutions so as to mitigate counterparty risk. The Group's bank relationship policy sets forth stringent criteria for the selection of banking partners and money market funds (such as maximum volatility, track record, rating, cash and cash equivalents status under IAS 7). In order to mitigate settlement risk, the Group has policies that limit the amount of credit exposure to any one financial institution on any single day. Statistics (such as the percentage of the business allocated to each bank over the year compared to a target defined by management, or such as the summary of the highest intraday exposures by bank and by maturity date) are computed and used on a daily basis so as to ensure credit risk is mitigated in practice at any time.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available despite the total net cash situation. Group Treasury monitors on a monthly basis the level of the "Liquidity Head Room" (total committed facilities minus current utilisation through bank loans and guarantees).

2010	€m	Under 1 year €m	1–5 years €m	Over 5 years €m
Credit facilities – banks				
Committed facilities	**452**	348	104	–
Headroom	**186**	136	50	–
2009				
Credit facilities – banks				
Committed facilities	**338**	160	178	–
Headroom	**124**	37	87	–

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the closing date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, except for foreign exchange derivative liabilities.

	Under 1 year €m	1–5 years €m	Over 5 years €m	Total €m
Liabilities				
Loans and bank overdrafts	97	102	–	**199**
Accounts payable (deferred income excluded)	2,116	126	203	**2,445**
At 31 December 2010	**2,213**	**228**	**203**	**2,644**
Liabilities				
Loans and bank overdrafts	80	87	–	**167**
Accounts payable (deferred income excluded)	2,063	179	177	**2,419**
At 31 December 2009	**2,143**	**266**	**177**	**2,586**

Financial instruments by category

The fair value of each class of financial assets and liabilities are equivalent to their carrying amount.

	Notes	Assets at fair value through profit or loss (1) €m	Derivatives used for hedging €m	Loans and accounts receivable €m	Available-for-sale investments €m	Total €m
Assets						
Loans and other financial assets (surplus of the defined benefit plans excluded)	8. 5.	151	–	5	111	**267**
Accounts receivable (prepaid expenses excluded)	8. 8.	–	53	2,357	–	**2,410**
Cash and cash equivalents	8. 9.	–	–	841	–	**841**
At 31 December 2010		**151**	**53**	**3,203**	**111**	**3,518**

(1) Includes Ren TV Group

	Notes	Liabilities at fair value through profit or loss €m	Derivatives used for hedging €m	Other financial liabilities (1) €m	Total €m
Liabilities					
Loans and bank overdrafts	8. 11.	–	–	188	**188**
Accounts payable (deferred income excluded)	8. 12.	–	17	2,407	**2,424**
At 31 December 2010		**–**	**17**	**2,595**	**2,612**

(1) At amortised cost

	Notes	Assets at fair value through profit or loss (1) €m	Derivatives used for hedging €m	Loans and accounts receivable €m	Available-for-sale investments €m	Total €m
Assets						
Loans and other financial assets (surplus of the defined benefit plans excluded)	8. 5.	78	–	73	111	**262**
Accounts receivable (prepaid expenses excluded)	8. 8.	384	31	1,945	–	**2,360**
Cash and cash equivalents	8. 9.	–	–	395	–	**395**
At 31 December 2009		**462**	**31**	**2,413**	**111**	**3,017**

(1) Includes Canal Plus France instrument designated at fair value through profit or loss (see note 8.8.)

	Notes	Liabilities at fair value through profit or loss €m	Derivatives used for hedging €m	Other financial liabilities (1) €m	Total €m
Liabilities					
Loans and bank overdrafts	8. 11.	–	–	156	**156**
Accounts payable (deferred income excluded)	8. 12.	–	34	2,351	**2,385**
At 31 December 2009		**–**	**34**	**2,507**	**2,541**

(1) At amortised cost

Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured at fair value at 31 December 2010 by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities);
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or the liability that are not based on observable market data (unobservable inputs).

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Financial assets at fair value through profit or loss	**151**	–	79	72
Available-for-sale investments	**111**	7	35	69
Derivatives used for hedging	**53**	–	53	–
At 31 December 2010	**315**	**7**	**167**	**141**
Liabilities				
Derivatives used for hedging	**17**	–	17	–
At 31 December 2010	**17**	**–**	**17**	**–**
Assets				
Financial assets at fair value through profit or loss	**462**	–	78	384
Available-for-sale investments	**111**	5	37	69
Derivatives used for hedging	**31**	–	31	–
At 31 December 2009	**604**	**5**	**146**	**453**
Liabilities				
Derivatives used for hedging	**34**	–	34	–
At 31 December 2009	**34**	**–**	**34**	**–**

The fair value of financial instruments traded in active markets are based on quoted market prices at the closing. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. The quoted market price used for financial assets by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market date, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of forward foreign exchange contracts are determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Ren TV Group is presented in level 3 in 2010 (2009: the hybrid financial instrument Canal Plus France – see note 8.8. – was presented in level 3).

The following table presents the change in level 3 instruments for the year ended 31 December 2010:

	Financial assets at fair value through profit or loss €m	Available-for-sale investments €m	**Total €m**
Balance at 1 January	384	69	**453**
Purchase	–	3	**3**
Transfer from "Investments in associates" (see note 8.4.)	67	–	**67**
Gains and losses recognised in other comprehensive income	–	(1)	**(1)**
Gains and losses recognised in profit or loss ("Financial result other than interest")	5	(2)	**3**
Decrease (sales and settlement)	(384)	–	**(384)**
Balance at 31 December	72	69	**141**
Total gains/(losses) for the period included in profit or loss for assets held at the end of the reporting period	**5**	**(2)**	**3**

No transfer between levels has been realised during the year 2010.

The following table presents the change in level 3 instruments for the year ended 31 December 2009:

	Financial assets at fair value through profit or loss €m	Available-for-sale investments €m	**Total €m**
Balance at 1 January	410	69	**479**
Purchase	–	1	**1**
Gains and losses recognised in other comprehensive income	–	(1)	**(1)**
Gains and losses recognised in profit or loss ("Financial result other than interest")	19	–	**19**
Decrease (sales and settlement)	(45)	–	**(45)**
Balance at 31 December	384	69	**453**
Total gains for the period included in profit or loss for assets held at the end of the reporting period	**21**	**–**	**21**

No transfer between levels has been realised during the year 2009.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to provide returns for shareholders.

4. DISCONTINUED OPERATIONS

On 23 July 2010, RTL Group disposed of Five Group to Northern & Shell, a company owned by British publisher Richard Desmond.

The terms of the agreement included a net cash payment of €118 million. The total cash consideration payable to RTL Group for its 100 per cent shareholding in Five Group amounted to €124 million before adjustment related to a cash pooling mechanism (minus €6 million). The regulatory risk was taken by the purchaser. The top holding company of Northern & Shell has provided back-to-back guarantees to RTL Group for the guarantees (€91 million) provided by RTL Group, on behalf of Five, in prior years.

The segment was not a discontinued operation or classified as held for sale at 31 December 2009 and the comparative income statement and statement of comprehensive income have been re-presented to show the discontinued operation separately from continuing operations. The loss from discontinued operations of €57 million (2009: €202 million) is attributable entirely to the owners of the Group. Of the profit from continuing operations of €787 million (2009: €500 million), €611 million is attributable to the owners of the Group (2009: €205 million).

The results of Five Group are presented below.

	2010 €m	2009 €m
Revenue	**158**	254
Other operating income	**–**	2
Consumption of current programme rights	**(97)**	(169)
Depreciation, amortisation and impairment	**(5)**	(12)
Other operating expenses	**(62)**	(116)
Impairment of goodwill and of disposal group and amortisation of fair value adjustments on acquisitions of subsidiaries and joint ventures	**(1)**	(158)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**(42)**	–
Loss from operating activities	**(49)**	**(199)**
Earnings before interest and taxes ("EBIT")	**(49)**	**(199)**
Net interest expense	**(8)**	(16)
Financial results other than interest	**–**	(1)
Loss before taxes	**(57)**	(216)
Income tax expense	**–**	14
Loss for the period from discontinued operations	**(57)**	**(202)**
EBITA (discontinued operations)	**(6)**	(41)
Impairment of goodwill of subsidiaries and joint ventures and of disposal group	**–**	(140)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**(1)**	(18)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**(42)**	–
Earnings before interest and taxes ("EBIT")	**(49)**	**(199)**

The impact of the disposal of Five Group on the financial position of the Group is as follows:

	2010 €m
Other intangible assets	**(60)**
Property, plant and equipment	**(10)**
Current programme rights	**(188)**
Accounts receivable and other financial assets	**(67)**
Accounts payable	**187**
Net deferred tax liabilities	**4**
Non-controlling interests	**3**
Accumulated other comprehensive income recognised in the income statement	**(4)**
Net assets disposed of	**(135)**
Total disposal proceeds	**118**
Direct costs associated with the disposal of Five Group	**(11)**
Less:	
Deferred payment of direct costs associated with the disposal of Five Group	**1**
Cash inflow on disposal of discontinued operations	**108**

5. SEGMENT REPORTING

The determination of the Group's operating segments is based on the operational and management-related entities for which information is reported to the Executive Committee.

The Group has 15 profit centres, each one led by a CEO. They manage operations in television, radio and diversification businesses in ten countries in which the Group owns interests in 40 TV channels and 33 radio stations; FremantleMedia and UFA Sports operate an international network in the content business.

Following the disposal of Five Group in 2010 and its classification as discontinued operations, the 2009 segment reporting has been re-presented.

All the reported segments meet the quantitative thresholds required by IFRS 8:

- Mediengruppe RTL Deutschland: this segment encompasses all of the Group's German television activities. These include the leading commercial channel RTL Television, Vox, Super RTL, N-TV and an equity participation in RTL II. This segment also includes an array of diversification activities such as new media and content;
- Groupe M6: primarily composed of the commercial television channel M6. This segment also includes one other free-to-air television channel W9 and a number of smaller thematic pay channels. This segment also includes significant other activities such as home shopping, direct-to-consumer marketing, rights distribution and a football club;
- FremantleMedia: principally a worldwide production business but other activities include a significant distribution and licensing business. Its main business units are based in the United States, the United Kingdom, Germany and Australia;
- RTL Nederland: this segment covers both television and radio activities. The Group's television channels cover RTL 4, RTL 5, RTL 7, RTL 8 and RTL Lounge, and are the leading family of channels in the Netherlands. The radio activities comprise Radio 538, one of the leading radio stations, and Radio 10 Gold;
- RTL Belgium: this segment includes both television and radio activities primarily focused in the French-speaking (southern) part of Belgium. The television activities are the leading family of channels and include RTL-TVI, Plug RTL and Club RTL, while the radio activities are made up of the number one and number two stations, Bel RTL and Radio Contact;
- French radio: this is the leading radio family in France and mainly includes the stations RTL Radio, RTL 2 and Fun Radio.

The revenue of "Other segments" mainly relates to RTL Klub (Hungary, € 105 million), Alpha TV (Greece, € 61 million), RTL Televizija (Croatia, € 38 million). Group headquarters provide services, initiate development projects, and is also reported in "Other segments".

RTL Group's Executive Committee assesses the performance of the operating segments based on EBITA. Interest income, interest expense, financial results other than interest and income tax are not allocated to segments, as these are centrally driven. Inter-segment pricing is determined on an arm's length basis.

The Executive Committee also reviews, on a regular basis, the amount of the invested capital of each profit centre. Only the assets and liabilities directly managed by the profit centres are considered. Reportable segment assets and liabilities are reconciled to total assets and liabilities, respectively.

All management financial information reported to RTL Group's Executive Committee is fully compliant and consistent with the Group accounting policies and primary statements.

5. 1. Segment information

	Mediengruppe RTL Deutschland 2010 €m	Mediengruppe RTL Deutschland 2009 €m	Groupe M6 2010 €m	Groupe M6 2009 €m
Revenue from external customers	**1,890**	1,731	**1,453**	1,370
Inter-segment revenue	**2**	1	**6**	7
Total revenue	**1,892**	1,732	**1,459**	1,377
Profit/(loss) from operating activities	**533**	353	**238**	186
Share of results of associates	**18**	13	**1**	(2)
EBIT	**551**	366	**239**	184
EBITA (continuing operations)	**551**	366	**245**	195
Impairment of goodwill of subsidiaries and joint ventures and of disposal group	**–**	–	**–**	–
Impairment of investments in associates	**–**	–	**–**	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**–**	–	**(8)**	(11)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**–**	–	**2**	–
EBIT	**551**	366	**239**	184
Interest income				
Interest expense				
Financial results other than interest				
Income tax expense				
Profit for the year from continuing operations				
Segment assets (assets classified as held for sale and associates excluded)	**1,504**	1,536	**1,454**	1,501
Investments in associates	**56**	39	**–**	–
Assets related to discontinued operations	**–**	–	**–**	–
Assets classified as held for sale	**–**	–	**–**	–
Segment assets	**1,560**	1,575	**1,454**	1,501
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	**652**	600	**641**	634
Liabilities related to discontinued operations	**–**	–	**–**	–
Liabilities directly associated with non-current assets classified as held for sale	**–**	–	**–**	–
Segment liabilities	**652**	600	**641**	634
Invested capital	**908**	975	**813**	867
Segment assets				
Deferred tax assets				
Income tax receivable				
Other assets				
Cash and cash equivalents				
Total assets				
Segment liabilities				
Deferred tax liabilities				
Income tax payable				
Other liabilities				
Total liabilities				
Capital expenditure	**28**	33	**107**	111
Depreciation and amortisation	**(23)**	(12)	**(106)**	(108)
Impairment losses excluding goodwill	**–**	(2)	**(9)**	(4)
Impairment of goodwill	**–**	–	**–**	–
Impairment of disposal group	**–**	–	**–**	–

5. 2. Geographical information

Geographical areas are based on where customers (revenue) or the Group's non-current assets are located. Goodwill has been reasonably allocated to a geographical area based on whether the Group's risks and returns are affected predominantly by the products and services it produces.

	Germany 2010 €m	Germany 2009 €m
Revenue from external customers	**1,985**	1,866
Non-current assets	**1,015**	986
Assets classified as held for sale	**–**	–
Capital expenditure	**60**	60

FremantleMedia		RTL Nederland		RTL Belgium		French radio		Other segments		Eliminations		Total Group	
2010 €m	2009 €m	**2010 €m**	2009 €m	**2010 €m**	2009 €m	**2010 €m**	2009 €m	**2010 €m**	2009 €m	**2010 €m**	2009 €m	**2010 €m**	2009 €m
1,107	1,035	**426**	368	**218**	201	**180**	173	**317**	278	**–**	–	**5,591**	5,156
165	148	**3**	3	**1**	2	**2**	1	**36**	35	**(215)**	(197)	**–**	–
1,272	1,183	**429**	371	**219**	203	**182**	174	**353**	313	**(215)**	(197)	**5,591**	5,156
145	155	**109**	71	**45**	32	**24**	15	**(93)**	(130)	**–**	–	**1,001**	682
–	–	**–**	–	**–**	–	**–**	–	**21**	14	**–**	–	**40**	25
145	155	**109**	71	**45**	32	**24**	15	**(72)**	(116)	**–**	–	**1,041**	707
140	155	**110**	72	**45**	36	**24**	15	**(4)**	(43)	**–**	–	**1,111**	796
–	–	**–**	–	**–**	(4)	**–**	–	**(49)**	(66)	**–**	–	**(49)**	(70)
–	–	**–**	–	**–**	–	**–**	–	**(3)**	(1)	**–**	–	**(3)**	(1)
–	–	**(1)**	(1)	**–**	–	**–**	–	**(2)**	(6)	**–**	–	**(11)**	(18)
5	–	**–**	–	**–**	–	**–**	–	**(14)**	–	**–**	–	**(7)**	–
145	155	**109**	71	**45**	32	**24**	15	**(72)**	(116)	**–**	–	**1,041**	707
												35	32
												(25)	(28)
												4	23
												(268)	(234)
												787	500
1,549	1,393	**573**	555	**169**	169	**190**	181	**592**	563	**(138)**	(163)	**5,893**	5,735
15	18	**–**	–	**–**	–	**–**	–	**287**	359	**–**	–	**358**	416
–	–	**–**	–	**–**	–	**–**	–	**–**	306	**–**	–	**–**	306
–	–	**–**	–	**–**	23	**–**	–	**–**	–	**–**	–	**–**	23
1,564	1,411	**573**	555	**169**	192	**190**	181	**879**	1,228	**(138)**	(163)	**6,251**	6,480
439	359	**142**	115	**108**	97	**83**	75	**333**	331	**(137)**	(157)	**2,261**	2,054
–	–	**–**	–	**–**	–	**–**	–	**–**	187	**–**	–	**–**	187
–	–	**–**	–	**–**	10	**–**	–	**–**	–	**–**	–	**–**	10
439	359	**142**	115	**108**	107	**83**	75	**333**	518	**(137)**	(157)	**2,261**	2,251
1,125	1,052	**431**	440	**61**	85	**107**	106	**546**	710	**(1)**	(6)	**3,990**	4,229
												6,251	6,480
												415	465
												61	42
												1,256	1,334
												841	395
												8,824	8,716
												2,261	2,251
												42	58
												115	152
												809	725
												3,227	3,186
105	64	**10**	2	**6**	2	**5**	4	**31**	27	**–**	–	**292**	243
(15)	(14)	**(11)**	(11)	**(5)**	(5)	**(4)**	(4)	**(32)**	(42)	**–**	–	**(196)**	(196)
–	3	**–**	–	**–**	–	**–**	–	**–**	(19)	**–**	–	**(9)**	(22)
–	–	**–**	–	**–**	–	**–**	–	**(49)**	(206)	**–**	–	**(49)**	(206)
–	–	**–**	–	**–**	(4)	**–**	–	**–**	–	**–**	–	**–**	(4)

France		UK		Netherlands		Other regions		Total	
2010 €m	2009 €m	**2010 €m**	2009 €m	**2010 €m**	2009 €m	**2010 €m**	2009 €m	**2010 €m**	2009 €m
1,642	1,543	**232**	234	**448**	386	**1,284**	1,127	**5,591**	5,156
932	955	**415**	484	**442**	435	**617**	583	**3,421**	3,443
–	–	**–**	–	**–**	–	**–**	23	**–**	23
112	116	**6**	6	**15**	2	**99**	59	**292**	243

The revenue generated in Luxembourg amounts to €42 million (2009: €40 million). The total of non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets located in Luxembourg amounts to €27 million (2009: €30 million).

6. ACQUISITIONS AND DISPOSALS

6. 1. Acquisitions and increases in interests held in subsidiaries

Details of significant acquisitions in the year ended 31 December 2010 are set out in note 6.2. Acquisitions have been consolidated using the purchase method of accounting with goodwill being recognised as an asset. All acquisitions have been included in the consolidated accounts from the date that control has been transferred to the Group.

In aggregate, the acquired businesses contributed revenue of €54 million and profit attributable to RTL Group shareholders of €2 million for the post acquisition period to 31 December 2010. Had the business combinations been at the beginning of the year, the revenue and the profit attributable to RTL Group shareholders would have amounted to €5,696 million and €615 million respectively.

6. 2. Details of significant acquisitions and disposals, increases in interests held in subsidiaries

2010

Ludia

On 1 October 2010, RTL Group acquired 51 per cent of the shares of Ludia Inc ("Ludia"). Located in Montreal, Ludia develops and markets casual games, predominantly for the US market. Prior to this acquisition, the Group held 29 per cent of the share capital and voting rights and Ludia was accounted for using the equity method since 2009. The carrying amount of the investment in the associate was €5 million at the acquisition date. The remaining 20 per cent interest is held by management and is subject to a put/call option based on a variable component. The fair value of the put option has been recognised as a liability.

The transaction qualifies as a business combination since the Group has gained the control of Ludia for a consideration, net of cash acquired, of €29 million. The re-measurement to fair value of the Group's existing 29 per cent interest in the acquiree (amounting to €5 million) has been recognised in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree" (see note 7.3.).

The transaction resulted in the recognition of a provisional goodwill of €34 million. At 31 December 2010, contingent consideration amounted to €13 million.

The acquisition-related costs of €0.5 million, mainly consisting of legal fees and due diligence costs, have been recognised in "Other operating expenses".

No goodwill will be tax deductible in connection with this transaction.

Had the acquisition occurred on 1 January 2010, the contribution to the consolidated revenue and to the Group's consolidated result would have been €9 million and €1 million, respectively.

Ludia 2010	Carrying amount at acquisition date €m	Incremental value €m	Fair value €m
Current programme rights	3	–	3
Accounts receivable and other financial assets	4	–	4
Accounts payable	(1)	–	(1)
Employee benefit obligations	–	–	–
Interest-bearing loans payable and borrowings	(1)	–	(1)
Net assets acquired	5	–	5
Fair value of equity interest held before business combinations			(10)
Goodwill			34
Total purchase consideration			29
Less:			
Contingent consideration			(13)
Cash outflow on acquisition			16

Radical Media
On 1 October 2010, RTL Group acquired a 62.5 per cent majority shareholding in @radical.media LLC ("Radical Media"). Radical Media is one of the leading TV commercials production companies in the United States with offices in Australia, China and Germany. The remaining 37.5 per cent interest is held by management and is subject to a put/call option based on a variable component. The fair value of the put option has been recognised as a liability.

The transaction qualifies as a business combination since RTL Group has gained the control of Radical Media. The purchase consideration, net of cash acquired, amounts to €30 million, resulting in the recognition of a provisional goodwill of €39 million. At 31 December 2010, contingent consideration and deferred payments amounted to €20 million.

The acquisition-related costs of €1 million, mainly consisting in legal fees and due diligence costs, have been recognised in "Other operating expenses".

The goodwill that is currently expected to be tax deductible amounts to €15 million. Further goodwill will become eligible for a tax deduction as the deferred consideration and option payments are paid.

Had the acquisition occurred on 1 January 2010, the contribution to the consolidated revenue and to the Group's consolidated result would have been €118 million and €5 million, respectively.

Radical Media 2010	**Carrying amount at acquisition date €m**	**Incremental value €m**	**Fair value €m**
Cash and cash equivalents	**9**	–	**9**
Property, plant and equipment	**2**	–	**2**
Other inventories	**9**	–	**9**
Accounts receivable and other financial assets	**26**	–	**26**
Accounts payable	**(42)**	–	**(42)**
Interest-bearing loans payable and borrowings	**(4)**	–	**(4)**
Net assets acquired	**–**	–	**–**
Goodwill			**39**
Total purchase consideration			**39**
Less:			
Contingent consideration			**(19)**
Deferred payments			**(1)**
Cash and cash equivalents in operations acquired			**(9)**
Cash outflow on acquisition			**10**

Other acquisitions and disposals, increases in interest held in subsidiaries

- On 9 April 2010, the Group acquired 100 per cent of the Dutch independent production company Four One Media BV. The transaction qualified as a business combination since RTL Group gained the control of Four One Media. The purchase accounting led to no recognition of additional fair values directly attributable to the net assets acquired. The transaction resulted in the recognition of a goodwill of €4.9 million;
- On 30 June 2010, the Group disposed of 90 per cent of the shares of Belga Films SA. The remaining 10 per cent stake is subject to a put and call option agreement exercisable in 2012 and was reclassified to "Loans and other financial assets" as available-for-sale investment. The sale proceeds, net of cash disposed of, amounted to €4 million. The resulting gain amounted to €0.3 million (see note 7.3.);
- On 18 August 2010, following the approval of the cartel authority, the Group gained the control of Antenne Niedersachsen GmbH & Co. KG previously accounted for at equity. The transaction qualified as a business combination since RTL Group gained the control of Antenne Niedersachsen. The re-measurement to fair value of the Group's existing 49.7 per cent interest in the acquiree (amounting to €(2.5) million) has been recognised in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree" (see note 7.3.). The purchase accounting led to no recognition of additional fair values directly attributable to the net assets acquired. The transaction resulted in the recognition of a goodwill of €6.1 million;
- On 30 September 2010, the Group completed the acquisition of 95 per cent of the shares of the company Mon Album Photo SAS. The transaction qualified as a business combination since RTL Group gained the control of Mon Album Photo. The transaction resulted in the recognition of a provisional goodwill of €2.9 million;
- On 30 November 2010, the Group acquired the remaining 50 per cent of the shares of the company

Echo 6 SAS, previously proportionate consolidated. The transaction qualified as a business combination since RTL Group gained the control of Echo 6. The re-measurement to fair value of the Group's existing 50 per cent interest in the acquiree has been recognised in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree" (see note 7.3.). The transaction resulted in the recognition of a goodwill of €0.3 million;
- The amount of the deferred consideration payable related to Cyréalis Group fully acquired on 30 April 2008 has been adjusted on the basis of a variable performance-related component (€(1.4) million). Earn-out paid in 2010 amounted to €3.9 million (2009: €5 million).

2009

M-RTL

At the extraordinary shareholders meeting held on 20 March 2009, the shareholders of M-RTL Zrt ("M-RTL", "RTL Klub") granted their consent and approval to transfers of shares, in particular to the transfer by Pearson Netherlands BV ("PNBV") of its 20 per cent stake in M-RTL to KOS Beteiligungs- und Verwaltungsgesellschaft mbH ("KOS"). As a result, the disagreements among the shareholders, which led to the arbitration proceedings between PNBV, IKO-Telekom Média Holding Rrt (n/k/a IKO Média Holding Zrt) and M-RTL in December 2006, were settled. Following the transfer of the 20 per cent stake by PNBV to KOS, the economic and voting ownerships in M-RTL was as follows: RTL Group (49 per cent), IKO-Telekom Média Holding Zrt (31 per cent) and KOS (20 per cent).

As a result of the arrangements among the shareholders entered into on 20 March 2009, RTL Group has the ability in practice to control M-RTL without the acquisition of additional shares and fully consolidates M-RTL since 1 April 2009. Until such date, M-RTL was accounted for using the equity method. The Group has recognised the following identifiable assets, liabilities and contingent liabilities at fair value at the date of the gain of control:

- A fair value of €6.8 million on the customer relationships;
- A related deferred tax liability for an amount of €1.4 million.

On 26 June 2009, RTL Group acquired from KOS non-voting shares in M-RTL representing an economic interest of 18 per cent for an amount of €42 million. As a result, RTL Group since then owns an economic interest of 67 per cent and voting rights of 49 per cent in M-RTL. This acquisition in a fully consolidated entity has been accounted for as an equity transaction and therefore no adjustment was recorded to goodwill. The decrease in equity attributable to RTL Group shareholders and in equity attributable to non-controlling interests amounts to €32 million and to €10 million, respectively.

M-RTL 2009	Carrying amount at date of gain of control €m	Incremental value €m	Fair value at date of gain of control €m	Acquisition of non-controlling interests €m	Total €m
Cash and cash equivalents	8	–	8	–	**8**
Non-current programme rights	1	–	1	–	**1**
Other intangible assets	16	7	23	–	**23**
Property, plant and equipment	9	–	9	–	**9**
Current programme rights	36	–	36	–	**36**
Accounts receivable and other financial assets	27	–	27	–	**27**
Accounts payable	(52)	–	(52)	–	**(52)**
Net deferred tax assets/(liabilities)	1	(1)	–	–	**–**
Non-controlling interests	(23)	(3)	(26)	10	**(16)**
Net assets acquired	**23**	**3**	**26**	**10**	**36**
Elimination of the contribution of companies previously accounted for using the equity method			(23)	–	**(23)**
Change in revaluation reserve from the gain of control in M-RTL			(3)	–	**(3)**
Negative impact in Group equity due to acquisition of non-controlling interests			–	32	**32**
Total purchase consideration			**–**	**42**	**42**
Less:					
Deferred payments			–	(3)	**(3)**
Cash and cash equivalents in operations acquired			(8)	–	**(8)**
Cash outflow on acquisitions			**(8)**	**39**	**31**

Original Productions
On 20 February 2009, the Group acquired 75 per cent of Original FMM LLC, a Burbank (USA) based company producing factual entertainment programmes that appeal to both US and international broadcasters. RTL Group granted a put option on the remaining 25 per cent to the management based on a variable component. The fair value of the put option has been recognised as a liability.

This transaction qualifies as a business combination since RTL Group has gained the control of Original Productions. The purchase consideration, net of cash acquired, amounts to €38 million, resulting in the recognition of a goodwill of €44 million, as the purchase accounting led to no recognition of additional fair values directly attributable to the net assets acquired. The goodwill has been increased in 2010 by €7 million following the re-measurement of the earn-out clauses.

Original Productions 2009	**Carrying amount at acquisition date €m**	**Incremental value €m**	**Fair value €m**
Cash and cash equivalents	**7**	**–**	**7**
Property, plant and equipment	**2**	**–**	**2**
Current programme rights	**14**	**–**	**14**
Accounts receivable and other financial assets	**6**	**–**	**6**
Accounts payable	**(25)**	**–**	**(25)**
Employee benefit obligations	**(2)**	**–**	**(2)**
Interest-bearing loans payable and borrowings	**(1)**	**–**	**(1)**
Net assets acquired	**1**	**–**	**1**
Goodwill			**44**
Total purchase consideration			**45**
Less:			
Deferred payments on acquisitions			**(21)**
Cash and cash equivalents in operations acquired			**(7)**
Cash outflow on acquisition			**17**

6. 3. Assets and liabilities acquired

Details of the net assets acquired and goodwill are as follows:

	2010 €m	2009 €m
Purchase consideration:		
– Cash paid	**44**	68
– Payments on prior years' acquisitions	**(4)**	(5)
– Contingent consideration	**33**	24
– Deferred payments	**2**	–
– Net asset contributed	**1**	–
Total purchase consideration	**76**	87
Less:		
Fair value of net assets acquired	**(8)**	(37)
Contribution of companies previously accounted for using the equity method	**19**	23
Change in revaluation reserve from gain of control	**–**	3
Negative impact in Group equity due to acquisition of non-controlling interests	**–**	(32)
Goodwill	**87**	44

6. 4. Cash outflow on acquisitions

The net assets and liabilities arising from the acquisitions are as follows:

	2010 Carrying amount at acquisition date/gain of control €m	2010 Incremental value €m	2010 Fair value €m	2009 Fair value €m
Cash and cash equivalents	**14**	**–**	**14**	15
Non-current programme and other rights	**–**	**–**	**–**	1
Other intangible assets	**–**	**–**	**–**	23
Property, plant and equipment	**4**	**–**	**4**	11
Loans and other financial assets	**2**	**–**	**2**	–
Current programme rights	**8**	**–**	**8**	50
Other inventories	**9**	**–**	**9**	–
Accounts receivable and other financial assets	**36**	**–**	**36**	33
Accounts payable	**(57)**	**–**	**(57)**	(77)
Employee benefit obligations	**–**	**–**	**–**	(2)
Interest-bearing loans payable and borrowings	**(5)**	**–**	**(5)**	(1)
Non-controlling interests	**(3)**	**–**	**(3)**	(26)
Net assets acquired	**8**	**–**	**8**	27
Fair value of equity interest held before business combinations			**(19)**	(23)
Goodwill			**87**	44
Change in revaluation reserve from gain of control			**–**	(3)
Total purchase consideration			**76**	45
Less:				
Net asset contributed			**(1)**	–
Contingent consideration			**(33)**	(21)
Deferred payments			**(2)**	–
Payments on prior years' acquisitions			**4**	5
Cash and cash equivalents in operations acquired			**(14)**	(15)
Cash outflow on acquisitions			**30**	14

6. 5. Assets and liabilities disposed of

Details of net assets disposed of and gain on disposal are as follows:

	2010 €m	2009 €m
Disposal proceeds (see note 6.2.)	**4**	2
Net assets disposed of	**(4)**	(1)
Net gain on disposal of subsidiaries (see note 7.3.)	**–**	1

6. 6. Cash inflow on disposals of continuing operations

	2010 €m	2009 €m
Goodwill	**–**	(2)
Accounts receivable and other financial assets	**–**	(1)
Assets classified as held for sale	**(20)**	–
Accounts payable	**–**	3
Liabilities directly associated with non-current assets classified as held for sale	**16**	–
Non-controlling interests	**–**	(1)
Net assets disposed of	**(4)**	(1)
Total disposal proceeds	**4**	2
Less:		
Payments on direct costs associated with the disposal of RTL Shop	**–**	(2)
Cash inflow on disposals of continuing operations (see note 6.2.)	**4**	–

7. CONSOLIDATED INCOME STATEMENT

7. 1. Revenue

	2010 €m	%	2009 €m	%
Spot advertising sales	**3,233**	**58**	2,864	55
Bartering advertising revenue	**53**	**1**	51	1
Other advertising sales	**135**	**3**	147	3
Advertising sales, net of agency commission	**3,421**	**62**	3,062	59
Net films, programmes and other rights – sold or licensed	**1,377**	**24**	1,344	26
Sales of merchandise and consumer services	**616**	**11**	618	12
Professional services	**177**	**3**	132	3
	5,591	**100**	5,156	100

7. 2. Other operating expenses

	Notes	2010 €m	2009 €m
Employee benefits expenses	7. 2. 1.	**912**	874
External cost of live programmes		**300**	363
Intellectual property expenses		**284**	224
External cost of transmitting		**143**	150
Consumption of other inventories		**228**	194
Expenses for subcontract production		**180**	179
Other marketing, promotion and public relations costs		**124**	110
Rental costs		**96**	84
Operating taxes		**78**	78
Audit, consulting and legal fees (1)		**60**	61
Marketing and promotion costs – barter		**50**	48
Repairs and maintenance		**54**	44
Other distribution expenses		**37**	34
Commissions on sales		**24**	24
Administration and sundry expenses		**136**	110
		2,706	2,577

(1) Fees related to KPMG and PricewaterhouseCoopers (PwC), the Group's auditors and their affiliates regarding the continuing operations, are set out below:

	2010 €m		2009 €m	
	KPMG	PwC	KPMG	PwC
Audit services pursuant to legislation	**1.5**	**1.6**	1.7	1.6
Other audit-related services	**0.4**	**0.3**	0.4	1.0
Other services relating to taxation	**0.3**	**0.1**	0.4	0.1
Other services	**–**	**0.9**	–	–
	2.2	**2.9**	2.5	2.7

The PwC fees related to the discontinued operations amounted to €0.5 million in 2010.

7. 2. 1. Employee benefits expenses

	2010 €m	2009 €m
Wages and salaries	**718**	688
Social security costs	**153**	149
Share options granted to employees	**6**	5
Pension costs	**9**	10
Other employee expenses	**26**	22
	912	874

The amounts set out above exclude personnel costs of €197 million (2009: €210 million), that are capitalised and which represent costs of employees directly allocated to the production of assets.

Pension costs relate to defined contributions for €5 million (2009: €5 million) and defined benefit plans for €4 million (2009: €5 million) (see note 8.14.).

An analysis of the average number of employees for undertakings held by the Group is set out opposite:

	2010	2009
Employees of fully consolidated undertakings	9,700	9,518
Employees of joint ventures	88	90
	9,788	9,608
Employees of Five Group	141	293

Employees of joint ventures reflects the number of employees based on the Group's ownership in these joint ventures.

7. 3. Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

"Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree" mainly relates to the following:

2010

- Loss of significant influence in Ren TV Group (see note 8.4.): €(12) million
- Gain on re-measurement of fair value of the Group's existing 29 per cent in Ludia Inc (see note 6.2.): €5 million
- Loss on re-measurement of fair-value of the Group's existing 49.7 per cent in Antenne Niedersachsen GmbH & Co. KG (see notes 6.2. and 8.4.): €(2.5) million
- Gain on sale of Tyredating SAS associate (see note 8.4.): €1.4 million
- Gain on disposal of Content Union Group associate (see note 8.4.): €0.4 million
- Gain on sale following the loss of control in Belga Films SA subsidiary (see note 6.2.): €0.3 million
- Gain on re-measurement of fair value of the Group's existing 50 per cent in Echo 6 SAS (see note 6.2.): €0.1 million

2009

- Gain on sale of the investment in the Alpha Radiofoniki SA, Alpha Radiofoniki Kronos SA and Kosmoradiotileoptiki SA subsidiaries: €1 million
- Loss on sale of other investments: €(1) million

7. 4. Net interest income

	2010 €m	2009 €m
Interest income on loans and accounts receivable	**21**	28
Tax-related interest income	**14**	4
Interest income	**35**	32
Interest expense on financial liabilities	**(10)**	(12)
Tax-related interest expense	**(6)**	(7)
Interest on defined benefit obligation (1)	**(5)**	(5)
Interest expense on other employee benefit liabilities	**(4)**	(4)
Interest expense	**(25)**	(28)
Net interest income	**10**	4

(1) Of which (see note 8.14.):
– Expected return on plan assets: €3 million (2009: €3 million);
– Unwind of discount on defined benefit obligations: €(8) million (2009: €(8) million)

"Interest income on loans and accounts receivable" includes an amount of €5 million (2009: €7 million) in respect of deposits to Bertelsmann AG (see note 10.1.).

7. 5. Financial results other than interest

	2010 €m	2009 €m
Impairment losses on available-for-sale investments	**(3)**	(4)
Cash flow hedges ineffectiveness (see note 3.)	**1**	(11)
Net gain on Canal Plus France (see note 8.8.)	**–**	21
Net gain on other financial instruments at fair value through profit or loss	**4**	16
Other financial results	**2**	1
	4	23

7. 6. Income tax expense

	2010 €m	2009 €m
Current tax expense	**(239)**	(201)
Deferred tax expense	**(29)**	(33)
	(268)	(234)

The income tax on the Group profit before tax differs from the theoretical amount that would arise using the Luxembourg tax rate as follows:

	2010 €m	%	2009 €m	%
Profit before taxes (continuing operations)	**1,055**		734	
Income tax rate applicable in Luxembourg		**28.59**		28.59
Tax calculated at domestic tax rate applicable to profits in Luxembourg	**302**		210	
Effects of tax rate in foreign jurisdictions and German trade tax	**58**		43	
Tax calculated at domestic tax rate applicable to profits in the respective countries	**360**	**34.1**	253	34.5
Change in tax regulation and status	**1**		–	
Non deductible expenses	**21**		32	
Tax exempt revenue	**(79)**		(63)	
Net reduction of deferred tax assets	**5**		45	
Tax incentives not recognised in the income statement	**(13)**		(13)	
Effect of tax losses for which no deferred tax assets are recognised	**9**		(10)	
Tax expense before adjustments on prior years	**304**	**28.8**	244	33.2
Current tax adjustments on prior years	**(28)**		(10)	
Deferred tax adjustments on prior years	**(8)**		–	
Income tax expense	**268**	**25.4**	234	31.9

Non deductible expenses mainly relate to impairment losses on goodwill of Alpha Media Group for a tax effect of €11 million (2009: €17 million; see note 8.2.).

Tax exempt revenue mainly relates to the Commission received in relation to the Compensation Agreement for €56 million (2009: €45 million; see note 10.1.), to capital gains and fair value changes for €5 million (2009: €10 million) and to the share of results of associates for €13 million (2009: €8 million).

Tax incentives not recognised in the income statement relate to a permanent difference generated by the amortisation of tax goodwill in Germany.

The current tax adjustments on prior years mainly result from final tax assessments in Germany in 2010 and from final tax assessments in the Netherlands in 2009.

Effect of tax losses for which no deferred tax are recognised mainly relates to Greece in 2010 (2009: Luxembourg).

7. 7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €611 million (2009: €205 million) and a weighted average number of ordinary shares outstanding during the year of 153,618,853 (2009: 153,618,853), calculated as follows:

	Continuing operations	Discontinued operations	2010	Continuing operations	Discontinued operations	2009
Profit/(loss) attributable to RTL Group shareholders (in € million)	**668**	**(57)**	**611**	407	(202)	205
Weighted average number of ordinary shares:						
Issued ordinary shares at 1 January (note 8.15.1.)	**154,787,554**	**154,787,554**	**154,787,554**	154,787,554	154,787,554	154,787,554
Effect of own shares held (note 8.15.2.)	**(1,168,701)**	**(1,168,701)**	**(1,168,701)**	(1,168,701)	(1,168,701)	(1,168,701)
Weighted average number of ordinary shares	**153,618,853**	**153,618,853**	**153,618,853**	153,618,853	153,618,853	153,618,853
Basic earnings per share (in €)	**4.34**	**(0.36)**	**3.98**	2.64	(1.31)	1.33
Diluted earnings per share (in €)	**4.34**	**(0.36)**	**3.98**	2.64	(1.31)	1.33

For 2010 and 2009, there is no dilutive impact of the share option plan as all options are out of the money.

8. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. 1. Programme and other rights, goodwill and other intangible assets

	(Co-) productions €m	Distribution and broadcasting rights €m	Advance payments and (co-) productions in progress €m	Total programme and other rights (1) €m	Goodwill €m	Other intangible assets €m
Cost						
Balance at 1 January 2009	**546**	**899**	**22**	**1,467**	**5,570**	**511**
Effect of movements in foreign exchange	(19)	(6)	–	**(25)**	(3)	1
Additions	8	26	48	**82**	–	48
Disposals	–	(37)	–	**(37)**	–	(14)
Gain of control of M-RTL (2)	–	1	–	**1**	–	23
Subsidiaries and joint ventures acquired (2)	–	–	–	**–**	44	–
Subsidiaries and joint ventures disposed of	–	–	–	**–**	(2)	–
Transfers and other changes	2	36	(48)	**(10)**	(3)	–
Balance at 31 December 2009	**537**	**919**	**22**	**1,478**	**5,606**	**569**
Effect of movements in foreign exchange	30	10	–	**40**	39	11
Additions	18	57	18	**93**	–	27
Disposals	(1)	(99)	–	**(100)**	–	(28)
Subsidiaries and joint ventures acquired	–	–	–	**–**	87	–
Subsidiaries and joint ventures disposed of (3)	–	–	–	**–**	(601)	(149)
Transfers and other changes (4)	14	115	(4)	**125**	6	18
Balance at 31 December 2010	**598**	**1,002**	**36**	**1,636**	**5,137**	**448**
Amortisation and impairment losses						
Balance at 1 January 2009	(536)	(822)	–	**(1,358)**	(2,745)	(192)
Effects of movements in foreign exchange	19	6	–	**25**	6	(1)
Amortisation charge for the year	(15)	(66)	–	**(81)**	–	(55)
Impairment losses recognised for the year	–	(1)	–	**(1)**	(206)	(22)
Reversal of impairment	–	3	–	**3**	–	–
Disposals	–	37	–	**37**	–	9
Transfers and other changes	8	(1)	–	**7**	–	–
Balance at 31 December 2009	**(524)**	**(844)**	**–**	**(1,368)**	**(2,945)**	**(261)**
Effects of movements in foreign exchange	(30)	(10)	–	**(40)**	(36)	(6)
Amortisation charge for the year	(14)	(69)	–	**(83)**	–	(44)
Impairment losses recognised for the year	(1)	–	–	**(1)**	(49)	(9)
Reversal of impairment	–	1	–	**1**	–	–
Disposals	1	98	–	**99**	–	17
Subsidiaries and joint ventures disposed of (3)	–	–	–	**–**	601	89
Transfers and other changes	(10)	(110)	–	**(120)**	–	(18)
Balance at 31 December 2010	**(578)**	**(934)**	**–**	**(1,512)**	**(2,429)**	**(232)**
Carrying amount:						
At 31 December 2009	**13**	**75**	**22**	**110**	**2,661**	**308**
At 31 December 2010	**20**	**68**	**36**	**124**	**2,708**	**216**

(1) Programme rights include internally generated capitalised rights
(2) See notes 6.2., 6.3. and 6.4.
(3) See note 4.
(4) "Transfers and other changes" on goodwill primarily relate to Cyréalis and Original Productions (see note 6.2.)

Other intangible assets include mainly Alpha TV, Five (2009 only), Mistergooddeal, M6 and Radio 538 brands, for an amount of €139 million (2009: €149 million) and Alpha Media Group, Five Group (2009 only) Groupe M6 and M-RTL (see note 6.2.) customer relationships of €17 million (2009: €25 million).

The following intangible assets, recognised at fair value at the time of the gain of control by RTL Group, were impaired in 2009:

- The brand and customer relationships of Alpha Media Group, for an amount of €3 million and €1 million, respectively;
- The brand and customer relationships of Five Group for an amount of €8 million and €6 million, respectively.

The M6 brand is considered to have an indefinite useful life and was recognised for an amount of €120 million. At 31 December 2010, an impairment test was performed and did not lead to any impairment.

In determining that the M6 brand has an indefinite useful life, Group Management has considered various factors such as the past and expected longevity of the brand, the impact of possible changes in broadcasting technologies, the impact of possible evolutions of the regulatory environment in the French television industry, the current and expected audience share of the M6 channel and M6 management strategy to maintain and strengthen the trademark "M6". Based on the analysis of these factors, management has determined and confirmed at 31 December 2010 that there is no foreseeable limit to the period of time over which the brand M6 is expected to generate cash inflows for the Group.

8. 2. Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units on the basis of the profit centres (see note 5.) and at the level at which cash inflows are generated.

All profit centres and cash-generating units mainly operate in one country, except FremantleMedia and UFA Sports, which are considered as sole cash-generating units.

	2010 €m	2009 €m
Mediengruppe RTL Deutschland	**869**	869
Groupe M6	**417**	415
FremantleMedia	**1,026**	938
RTL Nederland		
– Television	**124**	124
– Radio	**159**	159
RTL Belgium	**31**	31
French radio	**65**	65
Other segments		
– Alpha Media Group	**–**	49
– German radio	**17**	11
Total goodwill on cash-generating units	**2,708**	2,661

Goodwill is tested for impairment annually, as of 31 December or whenever changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of a cash-generating unit ("CGU") has been determined on the basis of the higher of its value in use and its fair value less costs to sell:

- The value in use is determined on the basis of cash flows excluding estimated future cash inflows or outflows expected to arise from future restructurings and from improving or enhancing the CGU's performance unless the cash-generating unit is committed at year end to the restructuring and related provisions have been made. Furthermore, the discount rate is closely linked to Group parameters (mainly size and credit premium and gearing ratio);
- Fair value less costs to sell is the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The hierarchy of sources for determining a "fair value less costs to sell" is:
  - A binding arm's length sales agreement;
  - An active trading market for the CGU; or
  - Best information available.

The Group supports its fair values less costs to sell on the basis of a discounted cash flow ("DCF") model to the extent that it would reflect the value that "any market participant" would be ready to pay in an arm's length transaction. Differently from the "value in use" approach, which reflects the perspective of the Group for a long-term use of the CGU, a "fair value less costs to sell" model would include future cash flows expected to arise from restructuring plans and future investments, as all rational market participants would be expected to undertake these restructurings and investments in order to extract the best value from the acquisition. Furthermore, the discount rate in a "fair value less costs to sell" model is calculated based on a market approach and most of the parameters used are derived from market sources. The latter approach applied in 2009 was not used by the Group in determining the recoverable amount of cash-generating units at 31 December 2010 (2009: Five Group and Alpha Media Group).

Cash flow projections are based on financial budgets approved by management covering a three-year-period. Cash flows beyond the three-year-period for up to ten years are prepared using the estimated growth rates and other key drivers including audience and advertising market shares, the EBITA margin and cash conversion rates based on past performance and expectations of market development. Cash flows beyond the ten-year period are extrapolated using the estimated perpetual growth rates and the discount rates stated on the following page.

The perpetual growth rates used are consistent with the forecasts included in industry reports. The discount rates have been determined, CGU by CGU, in order to reflect, where appropriate, the following factors:

- Country risk;
- Relative size;
- Credit spread due to the financial situation; and
- Gearing ratio of the CGU.

	2010		2009	
	Perpetual growth rate % a year	**Discount rate %**	Perpetual growth rate % a year	Discount rate %
Cash-generating units				
Mediengruppe RTL Deutschland	**2.0**	**8.6**	2.5	8.2
Groupe M6	**2.5**	**8.6**	3.0	8.2
FremantleMedia	**3.0**	**7.8**	3.0	8.6
RTL Nederland				
– Television	**2.5**	**8.6**	2.5	8.2
– Radio	**2.5**	**7.3**	2.5	8.7
Five Group	**–**	**–**	3.0	9.2
RTL Belgium	**2.5**	**8.6 and 7.2 (1)**	2.5	8.2 and 8.6 (1)
French radio	**2.5**	**7.2**	2.5	8.6
Other segments				
– Alpha Media Group	**3.0**	**9.7**	3.0	9.5 and 9.1 (2)
– German radio	**2.5**	**8.9**	2.5	8.9

(1) For television and radio, respectively
(2) At 30 June and 31 December 2009, respectively

Management consider that, at 31 December 2010, no reasonably possible change in the market shares, margin and cash conversion rates would reduce the headroom between the recoverable amounts and the carrying values of the cash-generating units.

2010

Impairment losses on goodwill were recorded for an amount of €49 million against the carrying value of Alpha Media Group and the goodwill was consequently reduced to nil. This reflected the worse than expected downturn in Greek advertising markets.

2009

Impairment losses on goodwill were recorded for an amount of €206 million.

An impairment loss amounting to €140 million was recognised at 30 June 2009 against the carrying value of Five Group and the goodwill reduced to nil. This reflected the worsening of both the advertising market and Five's share of the market. The "fair value less costs to sell" approach was retained, by factoring the costs and the benefits of the contemplated restructuring programme and using a discount rate of 9.2 per cent.

Intangible assets recorded at fair value upon gain of control of Five Group have been impaired for an amount of €14 million (see note 8.1.).

An impairment loss amounting to €70 million was recognised at 30 June 2009 against the carrying value of Alpha Media Group's assets. A much weaker Greek advertising market, when compared to the original business plan, resulted in a significant underperformance. A cost reduction programme, including a first voluntary leave programme, was initiated during the first half-year 2009; this was not sufficient to compensate a significant decline in revenue.

The "fair value less costs to sell" approach was retained at 30 June 2009, by factoring the costs and the benefits of the contemplated restructuring programme and using a discount rate of 9.5 per cent. Based on the above and on the basis of revised cash flows projections, the impairment losses of an amount of €70 million were fully allocated to the provisional goodwill at 30 June 2009.

As a consequence of the completion of the fair value exercise during the second half-year 2009, the impairment of €70 million was partly reallocated at 31 December 2009 to the fair value recognised on intangible assets (see note 8.1.). €66 million impairment losses remained allocated to goodwill. As the restructuring plan was implemented in 2009, "value in use" has been retained at 31 December 2009 using a discount rate of 9.1 per cent.

8. 3. Property, plant and equipment

	Land, buildings and improvements €m	Technical equipment €m	Other €m	Total €m
Cost				
Balance at 1 January 2009	**422**	**308**	**193**	**923**
Effect of movements in foreign exchange	1	1	–	2
Additions	2	18	49	69
Disposals	(1)	(27)	(9)	(37)
Gain of control of M-RTL (1)	1	7	1	9
Subsidiaries and joint ventures acquired (1)	–	2	–	2
Transfers and other changes	5	1	(6)	–
Balance at 31 December 2009	**430**	**310**	**228**	**968**
Effect of movements in foreign exchange	2	1	2	5
Additions	15	30	40	85
Disposals	(77)	(125)	(64)	(266)
Subsidiaries and joint ventures acquired (1)	2	1	1	4
Subsidiaries and joint ventures disposed of (2)	(8)	(8)	(10)	(26)
Transfers and other changes	1	85	11	97
Balance at 31 December 2010	**365**	**294**	**208**	**867**
Depreciation and impairment losses				
Balance at 1 January 2009	**(206)**	**(245)**	**(125)**	**(576)**
Depreciation charge for the year	(15)	(24)	(21)	(60)
Impairment losses reversed for the year	–	–	(2)	(2)
Disposals	–	25	9	34
Transfers and other changes	(1)	–	1	–
Balance at 31 December 2009	**(222)**	**(244)**	**(138)**	**(604)**
Effect of movements in foreign exchange	(1)	(1)	(1)	(3)
Depreciation charge for the year	(17)	(28)	(24)	(69)
Disposals	73	124	63	260
Subsidiaries and joint ventures disposed of (2)	5	4	7	16
Transfers and other changes	2	(57)	(39)	(94)
Balance at 31 December 2010	**(160)**	**(202)**	**(132)**	**(494)**
Carrying amount:				
At 31 December 2009	**208**	**66**	**90**	**364**
At 31 December 2010	**205**	**92**	**76**	**373**

(1) See note 6.2.
(2) See note 4.

Net tangible assets held under finance leases at 31 December 2010 amount to €14 million (2009: €12 million).

8. 4. Investments in associates

	2010 €m	2009 €m
Balance at 1 January	**416**	442
Effect of movements in foreign exchange	**19**	(14)
Share of results of associates	**40**	25
Dividend distribution	**(33)**	(28)
Change in ownership interest and other changes	**(84)**	(9)
Balance at 31 December	**358**	416

"Investments in associates" at 31 December 2010 include goodwill of €239 million (2009: €303 million), of which €195 million relate to Antena 3 De Television Group.

"Change in ownership interest" relates in 2010 to:

- On 15 April 2010, RTL Group signed option agreements with the controlling shareholders of Ren TV Group. Through these agreements, RTL Group has lost its significant influence reflected as follows:
  - The investment was reclassified from "Investments in associates" to "Loans and other financial assets". A fair value adjustment has been recognised (€5 million) in "Financial results other than interest" (see note 7.5.);
  - The foreign currency translation differences in relation with this investment were recycled from the other comprehensive income to the income statement for an amount of €(12) million (see note 7.3.);
- On 27 July 2010, the Group disposed of its ownership in Content Union Group associate (see note 7.3.);
- On 18 August 2010, the Group gained the control of Antenne Niedersachsen GmbH & Co KG (see notes 6.2. and 7.3.);
- On 10 November 2010, the Group disposed of its 32.7 per cent shareholding in the company Tyredating SAS previously accounted for at equity (see note 7.3.).

"Change in ownership interest" mainly related in 2009 to M-RTL gain of control (see note 6.2.), the disposal of Pages Jaunes Petites Annonces €(6) million and acquisitions in content business.

Share of results of associates:

	2010 €m	2009 €m
Share of result after tax	**43**	26
Impairment of investments in associates	**(3)**	(1)
	40	25

Antena 3 De Television Group and RTL II contributed in 2010 to the "Share of results of associates" for €24 and €14 million respectively (2009: €13 and €9 million respectively).

An impairment loss of €3 million related to AVE VI Vermögensverwaltungsgesellschaft associate has been recognised in 2010 (2009: RTL 9 associate for €1 million).

The summarised financial information on the main associates of the Group, on a 100 per cent basis, is as follows:

2010	Country of incorporation	Assets €m	Liabilities €m	Equity €m	Revenue €m	Profit for the year €m	Interest held %
Antena 3	Spain	783	479	304	773	109	21.5
RTL 2 GmbH & Co. KG	Germany	98	51	47	279	39	35.8

2009	Country of incorporation	Assets €m	Liabilities €m	Equity €m	Revenue €m	Profit for the year €m	Interest held %
Antena 3	Spain	796	531	265	650	61	21.5
Ren TV Group	Russia	118	73	45	85	1	30.0
RTL 2 GmbH & Co. KG	Germany	91	56	35	259	27	35.8

Based on the published share price at 31 December 2010, the market capitalisation of 100 per cent of Antena 3 amounts to €1,467 million (2009: €1,642 million).

8. 5. Loans and other financial assets

	2010 €m	2009 €m
Available-for-sale investments (see note 8.15.5.)	**111**	111
Surplus of the defined benefit plans (see note 8.14.)	**4**	3
Loans and other financial assets	**156**	151
	271	**265**

No reversal of impairment losses has been recorded in 2010 and 2009.

The movements in available-for-sale investments are as follows:

	2010 €m	2009 €m
Balance at 1 January	**111**	97
Net acquisitions and disposals	**2**	1
Change in fair value, net of tax	**(1)**	15
Impairment losses	**(2)**	(1)
Other changes	**1**	(1)
Balance at 31 December	**111**	111

8. 6. Deferred tax assets and liabilities

	2010 €m	2009 €m
Deferred tax assets	**415**	465
Deferred tax liabilities	**(42)**	(58)
	373	407

	2010 €m	2009 €m
Balance at 1 January	**407**	427
Income tax expense	**(29)**	(28)
Income tax credited/(charged) to equity (1)	**(10)**	8
Change in consolidation scope	**5**	–
Balance at 31 December	**373**	407

(1) Of which:
- *€2 million (2009: €(1) million) related to derivatives on equity instruments;*
- *€3 million (2009: €1 million) related to share options granted to employees;*
- *€(14) million (2009: €7 million) related to effective portion of changes in fair value of cash flow hedges;*
- *€(2) million (2009: €(1) million) related to change in fair value of cash flow hedges transferred to profit or loss; and*
- *€1 million (2009: €2 million) related to defined benefit plan actuarial gains/(losses).*

The Group has deductible temporary differences originating from an intra-group transaction which will mainly reverse during the next nine years.

Unrecognised deferred tax assets amount to €1,568 million at 31 December 2010 (2009: €1,689 million). Deferred tax assets are recognised on tax losses carry forwards to the extent that realisation of the related tax benefit through the future taxable profits are probable. The Group has unrecognised tax losses of €5,504 million (2009: €5,938 million) to carry forward against future taxable income. The most significant portion of these tax losses is generated in Luxembourg and has no expiry date.

The movement in deferred tax assets and liabilities during the year is as follows:

Deferred tax assets	**Balance at 1 January 2010 €m**	(Charged)/ credited to income statement €m	(Charged)/ credited to equity €m	Change in consolidation scope €m	Transfers and other changes €m	**Balance at 31 December 2010 €m**
Intangible assets	250	(33)	–	–	–	217
Programme rights	114	3	–	–	1	118
Property, plant and equipment	2	(1)	–	–	–	1
Provisions	72	(2)	1	–	(1)	70
Tax losses (see note 7.6.)	64	(13)	–	1	–	52
Others	29	6	(13)	1	(1)	22
Set off of tax	(66)	–	–	–	1	(65)
	465	**(40)**	**(12)**	**2**	**–**	415

Deferred tax liabilities	**Balance at 1 January 2010 €m**	(Charged)/ credited to income statement €m	Credited to equity €m	Change in consolidation scope €m	Transfers and other changes €m	**Balance at 31 December 2010 €m**
Intangible assets	(79)	4	–	4	3	(68)
Property, plant and equipment	(18)	–	–	–	–	(18)
Provisions	(5)	(2)	1	–	–	(6)
Others	(22)	9	1	(1)	(2)	(15)
Set off of tax	66	–	–	–	(1)	65
	(58)	**11**	**2**	**3**	**–**	**(42)**

8. 7. Current programme rights

	2010 Gross value €m	2010 Valuation allowance €m	2010 Net value €m	2009 Gross value €m	2009 Valuation allowance €m	2009 Net value €m
(Co-)productions	**355**	**(311)**	**44**	344	(307)	37
TV programmes	**69**	**(1)**	**68**	67	–	67
Other distribution and broadcasting rights	**770**	**(223)**	**547**	1,012	(255)	757
Sub-total programme rights	**1,194**	**(535)**	**659**	1,423	(562)	861
(Co-)productions and programmes in progress	**124**	**(4)**	**120**	135	(3)	132
Advance, payments on (co-)productions, programmes and rights	**134**	**–**	**134**	154	–	154
Sub-total programme rights in progress	**258**	**(4)**	**254**	289	(3)	286
	1,452	**(539)**	**913**	1,712	(565)	1,147

Additions and reversals of valuation allowance have been recorded for €(69) million and €66 million respectively in 2010 (2009: €(103) million and €37 million respectively).

8. 8. Accounts receivable and other financial assets

	2010 Under 1 year €m	2010 Over 1 year €m	2010 Total €m	2009 Under 1 year €m	2009 Over 1 year €m	2009 Total €m
Trade accounts receivable	**969**	**5**	**974**	925	4	929
Accounts receivable from associates	**20**	**–**	**20**	30	–	30
Prepaid expenses	**95**	**1**	**96**	126	–	126
Fair value of derivative assets	**53**	**–**	**53**	31	–	31
Current deposit with shareholder (see note 10.1.)	**794**	**–**	**794**	542	–	542
Canal Plus France	**–**	**–**	**–**	384	–	384
Other current financial assets	**80**	**–**	**80**	8	–	8
Account receivable from shareholder in relation with PLP agreement (see note 10.1.)	**350**	**–**	**350**	323	–	323
Other accounts receivable	**130**	**9**	**139**	109	4	113
	2,491	**15**	**2,506**	2,478	8	2,486

Additions and reversals of valuation allowance have been recorded for €(34) million and €27 million respectively in 2010 (2009: €(35) million and €21 million respectively).

On February 2010, Groupe M6 management exercised the put option to dispose of its 5.1 per cent stake in Canal Plus France to Vivendi. On 22 February 2010, a payment of €384 million was received by Groupe M6.

8. 9. Cash and cash equivalents

	2010 €m	2009 €m
Cash in hand and at bank	**181**	145
Fixed term deposits (under three months)	**303**	58
Other cash equivalents	**357**	192
	841	395

"Other cash equivalents" include money market funds for €357 million (2009: €192 million).

The current deposit with the shareholder is presented in accounts receivable (see note 8.8.).

8. 10. Assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale

Non-current assets classified as held for sale: Disposal group held for sale	2010 €m	2009 €m
Deferred tax assets	**–**	1
Programme rights	**–**	12
Other inventories	**–**	2
Accounts receivable and other financial assets	**–**	12
Impairment on disposal group	**–**	(4)
	–	23

Liabilities directly associated with non-current assets classified as held for sale:	2010 €m	2009 €m
Accounts payable	**–**	10
	–	10

There is no disposal group as at 31 December 2010 (2009: carrying amount of the disposal group was €13 million).

8. 11. Loans and bank overdrafts

Current liabilities	2010 €m	2009 €m
Bank overdrafts	**3**	5
Bank loans payable (1)	**33**	44
Leasing liabilities	**10**	2
Other current loans payable (2)	**46**	24
	92	75

Non-current liabilities	2010 €m	2009 €m
Bank loans payable	**83**	61
Leasing liabilities	**2**	10
Other non-current loans payable	**11**	10
	96	81

(1) Mainly relate to Alpha Media Group for €22 million (2009: €35 million)
(2) Mainly relate to Alpha Media Group for €15 million (2009: nil)

Term and debt repayment schedule

2010	Under 1 year €m	1–5 years €m	Over 5 years €m	Total carrying amount €m
Bank overdraft	3	–	–	3
Bank loans payable	33	83	–	116
Leasing liabilities	10	2	–	12
Other loans payable	46	10	1	57
	92	**95**	**1**	**188**
2009				
Bank overdraft	5	–	–	5
Bank loans payable	44	61	–	105
Leasing liabilities	2	10	–	12
Other loans payable	24	10	–	34
	75	**81**	**–**	**156**

8. 12. Accounts payable

Current accounts payable	2010 €m	2009 €m
Trade accounts payable	**1,084**	1,072
Amounts due to associates	**9**	22
Employee benefits liability	**159**	134
Deferred income	**138**	111
Social security and other taxes payable	**73**	67
Fair value of derivative liabilities	**17**	34
Account payable to shareholder in relation with PLP agreement (see note 10.1.)	**406**	368
Other accounts payable	**364**	356
	2,250	2,164

	2010			2009		
Non-current accounts payable	1–5 years €m	Over 5 years €m	Total €m	1–5 years €m	Over 5 years €m	Total €m
Trade accounts payable	**35**	**11**	**46**	65	9	74
Employee benefits liability	**1**	**144**	**145**	2	114	116
Deferred income	**1**	**–**	**1**	4	–	4
Social security and other taxes payable	**3**	**–**	**3**	3	–	3
Fair value of derivative liabilities	**6**	**–**	**6**	–	–	–
Other accounts payable	**73**	**39**	**112**	92	43	135
	119	**194**	**313**	166	166	332

8. 13. Provisions

	Post employment benefits €m	Restructuring €m	Litigations €m	Onerous contracts €m	Other provisions €m	Total €m
Balance at 1 January 2010	**88**	**14**	**61**	**114**	**37**	**314**
Provisions charged/(credited) to the income statement						
– Additions	17	2	44	60	12	135
– Reversals	(3)	(2)	(17)	(46)	(7)	(75)
Provisions used during the year	(15)	(6)	(9)	(28)	(4)	(62)
Actuarial gains recognised in equity	7	–	–	–	–	7
Other changes	–	(2)	4	–	(2)	–
Balance at 31 December 2010	**94**	**6**	**83**	**100**	**36**	**319**

	2010 €m	2009 €m
Current	**206**	183
Non-current	**113**	131
	319	314

The provisions mainly relate to the following:

- "Post-employment benefits" comprise provisions for defined benefit obligations for €92 million (2009: €87 million) (see note 8.14.) and provision for other employee benefits for €2 million (2009: €1 million);
- Provisions for litigations correspond to the Group's best estimate of the expected future cash outflow related to disputes arising from the Group's activities. No further information is disclosed as it may harm the Group's position;
- "Onerous contracts" provisions include €47 million for Groupe M6 (2009: €28 million) and €47 million for Mediengruppe RTL Deutschland (2009: €83 million). Out of €60 million of provisions recorded in 2010 (2009: €96 million), the most significant charge relates to obligations contracted on rights (€49 million, 2009: €92 million) which will not be broadcast or which will generate unavoidable costs. The most significant release of provisions relates to the Formula 1 contract signed by Mediengruppe RTL Deutschland (€33 million) and which runs until 2011;
- "Other provisions" primarily include provisions made by Groupe M6 for €28 million (2009: €28 million) and FremantleMedia for €5 million (2009: €5 million).

8. 14.

Post-employment benefits

RTL Group operates or participates in a number of defined benefit and defined contribution plans throughout Europe. These plans have been set up and are operated in accordance with national laws and regulations. A description of the principal defined benefit plans of the Group is given below:

Belgium

Employees of RTL Belgium participate in a defined benefit plan insured with the insurance company AXA, which provides pension benefits to members and their dependants on retirement and death. The assets of the insurance contract are not segregated but mutualised within the global assets of the Company ("Branche 21"). A guaranteed interest rate is provided by AXA.

France

Groupe M6, Ediradio, ID and IP France operate retirement indemnity plans, which by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at date of termination of employment in accordance with the applicable collective agreement. The Ediradio and ID retirement indemnity plan is partly funded by an insurance contract with AXA. Ediradio also participates in a defined benefit plan which provides pension benefits to members on retirement. This plan is partly funded by an insurance contract with AXA. The assets of the insurance contract are not segregated but mutualised within the global assets of the Company. A guaranteed interest rate is provided by AXA.

Germany

Employees of UFA Berlin Group (including UFA Fernsehproduktion, UFA Entertainment and UFA Film & TV Produktion), Universum Film, UFA Film & Fernsehen and RTL Group Deutschland participate in the multi-employer Bertelsmann plan. The plan is unfunded and defined benefit in nature. Each employer which participates in this plan has separately identifiable liabilities.

RTL Television, AVE Hörfunkbeteiligung and IP Deutschland operate their own retirement arrangements. IP Deutschland sponsors individual plans for five employees and former employees providing defined pension benefits to each employee at retirement.

RTL Television sponsors individual plans for two employees providing defined pension benefits to each employee at retirement. In addition, a number of employees participate in a support fund providing pension benefits to members and their dependants on retirement and death.

The plan of RTL Television is partly funded by a life insurance contract with AXA. The assets of the insurance contract are not segregated but mutualised within the global assets of the insurance company. A guaranteed interest rate is provided by AXA.

Luxembourg

Employees of CLT-UFA, RTL Group and Broadcasting Center Europe participate in a defined benefit plan, which provides pension benefits to members and their dependants on retirement, death and disability. CLT-UFA, RTL Group and Broadcasting Center Europe set up provisions for the unfunded retirement benefit plan. Death and disability are insured with Fortis Luxembourg-Vie.

United Kingdom

FremantleMedia Group Limited is the principal employer of the Fremantle Group Pension Plan ("the Fremantle Plan"), which was established on 29 December 2000 and was, prior to 1 September 2005, known as the RTL Group UK Pension Plan. The Fremantle Plan provides both defined benefit and defined contribution benefits. The plan assets holds assets for both sections of the plan and are mainly composed of equity instruments.

The amounts recognised in the statement of financial position are determined as follows:

	2010 €m	2009 €m
Present value of funded obligations	**96**	84
Fair value of plan assets	**(80)**	(66)
	16	18
Present value of unfunded obligations	**72**	66
Net liability	**88**	84
Assets (see note 8.5)	**4**	3
Provisions (see note 8.13)	**92**	87
Experience adjustments on assets gains	**6**	6
Experience adjustments on provisions (gains)	**(2)**	(2)

The movement in the present value of funded/unfunded defined benefit obligation over the year is as follows:

	2010 €m	2009 €m
Balance at 1 January	**150**	130
Current service cost (see note 7.2.1.)	**7**	6
Interest cost	**8**	8
Actuarial losses	**9**	11
Employee contributions	**1**	1
Benefits paid by employer	**(4)**	(3)
Benefits paid out of the plan assets	**(2)**	(2)
Settlements and curtailments	**(3)**	(1)
Foreign exchange differences	**2**	–
Balance at 31 December	**168**	150

The movement in the fair value of plan assets of the year is as follows:

	2010 €m	2009 €m
Balance at 1 January	**66**	52
Expected return on plan assets	**3**	3
Actuarial gains	**4**	4
Employer contributions	**6**	7
Employee contributions	**1**	1
Benefits paid out of the plan assets	**(2)**	(2)
Foreign exchange differences	**2**	1
Balance at 31 December	**80**	66

Plan assets are comprised as follows:

	2010 €m	2009 €m
Equity instruments	**50**	44
Debt instruments	**25**	18
Property	**2**	2
Other	**3**	2
Fair value of plan assets	**80**	66

The actual return on plan assets was €7 million (2009: €7 million).

Expected contributions to post-employment benefit plans for the year ending 31 December 2011 are €6 million.

The amounts recognised in the income statement are as follows:

	2010 €m	2009 €m
Current service cost	**7**	6
Settlements and curtailments	**(3)**	(1)
Total included in employee benefits expenses (see note 7.2.1.)	**4**	5

	2010 €m	2009 €m
Interest cost	**8**	8
Expected return on plan assets	**(3)**	(3)
Total included in net interest expense (see note 7.4.)	**5**	5

The cumulated amount of the actuarial losses recognised in equity at 31 December 2010 is €(13) million (2009: €(8) million).

The principal actuarial assumptions used were as follows:

	2010 % a year	2009 % a year
Discount rate	**4.40–5.60**	5.30–5.90
Expected return on plan assets	**3.50–5.25**	3.50–5.90
Long-term inflation rate	**1.80–3.50**	1.80–3.50
Future salary increases	**2.25–4.50**	2.25–5.00
Future pension increases	**1.80–3.35**	1.80–3.35

8. 15.
Equity

8. 15. 1.
Share capital

At 31 December 2010, the subscribed capital amounts to €192 million (2009: €192 million) and is represented by 154,787,554 (2009: 154,787,554) fully paid-up ordinary shares, without nominal value. All shares have the same rights and entitlements.

8. 15. 2.
Treasury shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2010, the Group holds 1,168,701 own shares (2009: 1,168,701) at a cost of €44 million (2009: €44 million).

8. 15. 3.
Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, reserves on associates for foreign exchange translation differences and cash flow hedging, as well as loans designated to form part of the Group's net investment in specific undertakings as repayment of those loans is not anticipated within the foreseeable future.

8. 15. 4.
Hedging reserve

The hedging reserve (equity attributable to non-controlling interests included) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Between 31 December 2009 and 31 December 2010, the hedging reserve increased by €32 million before tax effect. This consists of:

- Increase by €35 million due to foreign exchange contracts which existed at 2009 year end and which were still hedging off-balance sheet commitments at 31 December 2010;
- Decrease by €8 million due to foreign exchange contracts which existed at 2009 year end but which were released in 2010 from the hedging reserve to income statement;
- Increase by €5 million due to foreign exchange contracts hedging new off-balance sheet commitments.

Between 31 December 2008 and 31 December 2009, the hedging reserve decreased by €(16) million before tax effect. This reflected:

- Decrease by €(1) million due to foreign exchange contracts which existed at 2008 year end and which are still hedging off-balance sheet commitments at 31 December 2009;
- Decrease by €(9) million due to foreign exchange contracts which existed at 2008 year end but which have been released in 2009 from the hedging reserve to income statement;
- Decrease by €(6) million due to foreign exchange contracts hedging new off-balance sheet commitments.

8. 15. 5.
Revaluation reserve

The revaluation reserve includes:

- The cumulative net change in the fair value of available-for-sale investments (see note 8.5.) until the investment is derecognised or impaired for €42 million (2009: €43 million);
- The cumulative increase in the fair value of the intangible assets and property, plant and equipment following the gains of control of Groupe M6 and M-RTL (see note 6.2.) and the acquisition of associates achieved in stages (2010: €54 million; 2009: €54 million).

8. 15. 6.
Dividends

At the Annual General Meeting of RTL Group SA on 20 April 2011, a dividend in respect of 2010 of €5.0 per share is to be proposed. These financial statements do not reflect the final proposed dividend payable, which will be accounted for as an appropriation of retained earnings in 2010. The dividends in respect of 2009 amounted to €3.5 per share, or €541 million.

RTL Group's dividend policy is to distribute at least an ordinary dividend between 35 and 50 per cent of the ordinary earnings.

8. 15. 7.

Share options

RTL Group Stock Option Plan

On 25 July 2000, the Group established a share option programme for certain directors and employees.

Eligibility

All participants in the Stock Option Plan ("SOP") must be employed by RTL Group or one of its subsidiaries at the time of granting the options under the SOP.

Grant

The number of options granted to a participant under the SOP is at the discretion of the compensation committee, being the Board of Directors of the Company or a duly constituted committee thereof, established among other things, for the purpose of operating the SOP. Participants may renounce options granted to them. Participants will not be required to pay any sum in respect of the grant of any options to them under the SOP.

Scheme Limits

The number of ordinary shares, which may be placed under option under the SOP in any year, may not be more than a half per cent of the Company's issued ordinary share capital.

Exercise Price

The exercise price to be paid by a participant in order to exercise options which are granted under the SOP will be the average closing middle market price of shares in the Company on the Brussels Stock Exchange over 20 dealing days preceding the date of grant or such other, higher or lower, amount as determined by the compensation committee.

Exercise

Options will normally be exercisable as to one third on each of the second, third and fourth anniversaries of the date of grant or in accordance with such other vesting schedule as determined by the compensation committee. Options must normally be exercised before the expiry of ten years from the date of grant or such shorter period as determined by the compensation committee. Options may be exercised earlier in the event of death.

Share options outstanding (in thousands) at the end of the year have the following terms:

Expiry date	Exercise price €	**Number of options 2010**	Number of options 2009
August 2010	120.00	**–**	6
December 2010	85.24	**–**	118
May 2011	85.24	**1**	1
		1	125

Movements in the number of share options are as follows:

In thousands of options	Average exercise price in € per share	**2010**	Average exercise price in € per share	**2009**
Options outstanding at the beginning of the year	87	**125**	87	130
Options expired/cancelled during the year	87	**(124)**	85	(5)
Options outstanding at the end of the year	85	**1**	87	125

The market price of RTL Group shares on the Brussels Stock Exchange was €76.7 at 31 December 2010 (€47.0 at 31 December 2009).

Groupe M6 Share Option Plan

Groupe M6 has established employee share option plans open to directors and certain employees within the group. The number of options granted to participants is approved by the Supervisory Board of Métropole Télévision SA in accordance with the authorisation given by the General Meeting of Shareholders.

The terms and conditions of the grants are as follows, whereby all options are settled by physical delivery of shares:

	Grant date	Number of options initially granted (in thousands)	Remaining options (in thousands)	Vesting conditions	Contractual life of options (1)
Stock options plans					
	07–2003	713.50	–	4 years of service	7 years
	11–2003	20.00	–	4 years of service	7 years
	04–2004	861.50	495.00	4 years of service	7 years
	06–2005	635.50	391.50	4 years of service	7 years
	06–2006	736.75	474.75	4 years of service	7 years
	05–2007	827.50	614.00	4 years of service	7 years
	05–2008	883.83	747.13	4 years of service	7 years
Free shares plans					
	05–2008	280.72	–	2 years of service + performance conditions	
	07–2009	346.70	321.70	2 years of service + performance conditions	
	12–2009	45.65	45.65	2 years of service + performance conditions	
	03–2010	22.00	22.00	2 years of service	
	07–2010 (*)	328.50	323.50	2 years of service + performance conditions	
	12–2010 (*)	35.65	35.65	2 years of service + performance conditions	
Total		**5,737.80**	**3,470.88**		

(1) Contractual life of options corresponds to the vesting period (i.e. four years) plus three years (which represents the time frame during which the options can be exercised)

(*) The maximum number of free shares granted if the performance conditions are significantly exceeded would amount to 420,025. Such number could be reduced to nil if objectives are not met

The price to be paid to exercise each of the remaining options is the average value of shares in Métropole Télévision on the Paris Stock Exchange over the 20 trading days preceding the date of grant with the exception of the management free share allocation plan.

Movements in the number of share options are as follows:

In thousands of options	Average exercise price in € per share	**2010**	Average exercise price in € per share	2009
Options outstanding at the beginning of the year	22	**3,339**	23	4,083
Options exercised during the year	15	**(3)**	–	–
Options expired during the year	22	**(614)**	25	(744)
Options outstanding at the end of the year	22	**2,722**	22	3,339

Approximately 749,000 free shares are still exercisable at the end of the year against 596,000 at the beginning of the year. 386,000 free shares were granted during the year with 206,000 being exercised and 27,000 being forfeited.

Shares options outstanding (in thousands) at the end of the year have the following terms:

	Expiry date	Exercise price in €	**Number of options 2010**	Number of options 2009
Stock options plans				
	2010	22.53	**–**	441
	2011	24.97	**495**	527
	2012	19.94	**391**	421
	2013	24.60	**475**	504
	2014	27.52	**614**	652
	2015	14.73	**747**	794
			2,722	3,339
Free shares plans				
	2010		**–**	206*
	2011		**368**	390
	2012		**381**	–
			749	596
Total			**3,471**	3,935
Out of which exercisable			**2,020**	1,943

(*) Re-presented

The market price of Métropole Télévision shares on the Paris Stock Exchange was € 18.10 at 31 December 2010 (€ 17.97 at 31 December 2009).

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The estimate of fair value of the services received is measured based on a binomial model. Free shares are valued at the share price at the date they are granted less the discounted dividends that employees can not receive during the vesting period.

Grant date	Share price in €	Strike price in €	Volatility %	Risk-free interest rate % a year	Expected return % a year	Option life	Employee expense **2010 €m**	Employee expense 2009 €m
Stock options plans:								
02/06/2005	20.17	19.94	41.8	3.24	5.24	6 years	**–**	0.2
06/06/2006	24.63	24.60	43.1	4.02	3.81	6 years	**0.1**	0.9
02/05/2007	26.55	27.52	37.8	4.40	3.99	6 years	**1.1**	1.3
06/05/2008	15.22	14.73	40.0	4.39	6.30	6 years	**0.7**	0.7
							1.9	3.1
Free shares plans:								
02/05/2007	26.55	n.a.	n.a.	4.40	3.99	2 years	**–**	(0.6)
06/05/2008	15.22	n.a.	n.a.	4.39	6.30	2 years	**0.5**	1.4
28/07/2009	13.00	n.a.	n.a.	2.49	4.90	2 years	**2.1**	0.8
23/12/2009	18.02	n.a.	n.a.	1.42	4.01	2 years	**0.4**	–
25/03/2010	18.84	n.a.	n.a.	1.00	5.04	2 years	**0.1**	–
27/07/2010	17.66	n.a.	n.a.	1.00	5.38	2 years	**1.2**	–
22/12/2010	18.22	n.a.	n.a.	1.13	5.49	2 years	**–**	–
							4.3	1.6
Total							**6.2**	4.7

8\. 15. 8.

Transactions on non-controlling interests

These transactions mainly relate to:

2010

Transactions on non-controlling interests without a change in control:

- On 29 March 2010, the Group exercised its option to acquire for €1.4 million the remaining 25 per cent of the production company Blu A/S;
- In 2010 Groupe M6 acquired own shares for its free share allocation plan and in respect of the liquidity contract.

Transactions on non-controlling interests with a change in control:

- On 18 August 2010, RTL Group gained the control of Antenne Niedersachsen GmbH & Co. KG previously accounted for under equity method (see note 6.2.).

2009

- M-RTL: see note 6.2.;
- The non-controlling shareholders of Alpha Media Group have subscribed for €7 million to capital increases and indirectly benefited from capital increases unilaterally subscribed by RTL Group;
- In 2009 Groupe M6 acquired own shares for its free share allocation plan and in respect of the liquidity contract.

8\. 15. 9.

Derivatives on equity instruments

Derivative instruments relate to forward transactions by Groupe M6 on M6 shares.

9. COMMITMENTS AND CONTINGENCIES

	2010 €m	2009 €m
Guarantees and endorsements given	**153**	48
Contracts for purchasing rights, (co-)productions and programmes	**1,985**	2,188
Operating leases	**546**	595
Purchase obligations in respect of transmission and distribution	**308**	255
Other long-term contracts and commitments	**290**	308

The Group has investments in unlimited liability entities. In the event these entities make losses, the Group may have to participate to the entire amount of losses, even if these entities are not wholly owned.

9. 1.
Guarantees and endorsements given

The guarantees corresponding to contingent obligations granted by the Group acting as executive producer to third parties paying cash advances are presented independently from the entire or partial recognition in the statement of financial position of the related underlying assets and liabilities. These obligations would have the effect to increase the level of loss to be supported by the Group in the case that the productions would not be delivered.

The Group supports guarantees on behalf of Five Group with back-to-back guarantees received from the top holding company of the buyer (see note 4.).

9. 2.
Operating leases

Non-cancellable operating lease rentals are as follows:

Lease payments	2010 Under 1 year €m	2010 1–5 years €m	2010 Over 5 years €m	2010 Total €m	2009 Under 1 year €m	2009 1–5 years €m	2009 Over 5 years €m	2009 Total €m
Leasing of satellite transponders	**20**	**53**	**15**	**88**	31	80	25	136
Other operating leases	**70**	**174**	**214**	**458**	82	173	204	459
	90	**227**	**229**	**546**	113	253	229	595

"Other operating leases" mainly relates to the rental of offices, buildings and equipments in Germany, France and the United Kingdom.

9. 3.
Purchase obligations in respect of transmission and distribution

These obligations result from agreements with providers of services related to the terrestrial and cable transmission and distribution of the analogical and digital signals of the RTL Group TV channels and radio stations.

9. 4.
Other long-term contracts and commitments

The Group has "Other long-term contracts and commitments" amounting to €290 million at 31 December 2010 (2009: €308 million).

Long-term contracts include contracts for services, agreements to purchase assets or goods and commitments to acquire licences other than audiovisual rights and television programming that are enforceable and legally binding and that specify all significant terms. Other commitments relate to sale and lease back transactions in respect of FremantleMedia.

FremantleMedia has arrangements for a remaining period of seven years in relation to sale and lease back transactions for an amount of €67 million (2009: €72 million). Under these arrangements, FremantleMedia has sold programme rights to a special purpose vehicle and simultaneously leased back the assets under a finance lease arrangement. The cash received is placed in a "restricted bank account" at an A-rated bank in order to satisfy the lease payments and is not considered as an asset in accordance with SIC 27. Income received by FremantleMedia was recognised in the income statement when entering into these arrangements.

9. 5.
Licence agreement

In the course of their activities, several Group companies benefit from licence frequency agreements which commit the Group in various ways depending upon the legal regulation in force in the countries concerned.

10. RELATED PARTIES

Identity of related parties

At 31 December 2010, the principal shareholder of the Group is Bertelsmann Capital Holding GmbH ("BCH") (91 per cent). The remainder of the Group's shares are publicly listed on the Brussels and Luxembourg stock exchanges. The Group also has a related party relationship with its associates, joint ventures and with its directors and executive officers.

10. 1. Transactions with shareholders

Sales and purchases of goods and services

During the year the Group made sales of goods and services, purchases of goods and services to Bertelsmann Group amounting to €10 million (2009: €10 million) and €22 million (2009: €22 million), respectively. At the year-end, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €6 million (2009: €4 million) and €5 million (2009: €5 million), respectively.

Deposits Bertelsmann AG

With the view to invest its cash surplus, RTL Group SA has entered in 2006 with Bertelsmann AG into a Deposit Agreement, the main terms of which are:

- Interest rates are based on an overnight basis on EONIA plus 10 basis points; or on a one to three-month basis, EURIBOR plus 10 basis points;
- Bertelsmann AG grants to RTL Group as security for all payments due by Bertelsmann AG a pledge on:
  - All shares of its wholly owned French subsidiary Média Communication SAS;
  - All shares of its wholly owned Spanish subsidiary Media Finance Holding SL;
  - All its interests in the German limited liability partnership Gruner + Jahr AG Co. KG (73.4 per cent stake);
  - All shares of its wholly owned English subsidiary Bertelsmann UK Ltd.

The interests in Gruner + Jahr AG Co. KG and shares of Bertelsmann UK Ltd have also been granted as pledge by Bertelsmann AG to CLT-UFA SA, a subsidiary of RTL Group, in connection with the accounts receivable related to PLP and Compensation Agreements as defined below.

At 31 December 2010, the amount deposited amounts to €43 million (2009: €89 million) on an overnight basis and €750 million (2009: €450 million) on a three-month basis. The interest income for the year amounts to €5 million (2009: €7 million).

RTL Group SA has additionally entered into a Treasury Agreement in North America with Bertelsmann Inc. Interest rates are based on US Libor plus 10 basis points. At 31 December 2010, the balance of the cash pooling payable amounts to €9 million (2009: cash pooling receivable for €3 million). The interest income/expense for the year is below €1 million (2009: below €1 million).

Tax

On 26 June 2008, the Board of Directors of RTL Group agreed to proceed with the tax pooling of its indirect subsidiary RTL Group Deutschland GmbH ("RGD") into BCH, a direct subsidiary of Bertelsmann AG.

To that effect, RGD entered into a Profit and Loss Pooling Agreement ("PLP Agreement") with BCH for a six-year period starting 1 January 2008. Simultaneously, Bertelsmann AG entered into a Compensation Agreement with CLT-UFA, a direct subsidiary of RTL Group, providing for the payment to CLT-UFA of an amount compensating the above profit transfer and an additional commission ("Commission") amounting to 50 per cent of the tax saving based upon the taxable profit of RGD.

Through these agreements, as from 1 January 2008, Bertelsmann AG and the RGD sub-group of RTL Group are treated as a single entity for German income tax purposes.

As the PLP Agreement does not give any authority to BCH to instruct or control RGD, it affects neither RTL Group nor RGD's ability to manage their business, including their responsibility to optimise their tax structures as they deem fit. After six years, both PLP and Compensation Agreements are renewable on a yearly basis. RGD and CLT-UFA have the right to request the early termination of the PLP and Compensation Agreements under certain conditions.

In the absence of specific guidance in IFRS, RTL Group has elected to recognise current income taxes related to the RGD sub-group based on the amounts payable to Bertelsmann AG and BCH as a result of the PLP and Compensation Agreements described above. Deferred income taxes continue to be recognised, based upon the enacted tax rate, in the consolidated financial statements based on the amounts expected to be settled by the Group in the future. The Commission, being economically and contractually closely related to the Compensation, is accounted for as a reduction of the tax due under the Agreements.

At 31 December 2010, the balance payable to BCH amounts to €406 million (2009: €368 million) and the balance receivable from Bertelsmann AG amounts to €350 million (2009: €323 million).

For the year ended 31 December 2010, the German income tax in relation to the tax pooling with Bertelsmann AG amounts to €119 million (2009: €96 million). The Commission amounts to €56 million (2009: €45 million).

The UK Group relief of Five Group and FremantleMedia Group to Bertelsmann Group resulted in a tax income of €4 million (2009: €9 million).

10. 2.
Transactions with associates and joint ventures

The following transactions were carried out with associates and joint ventures:

	2010 €m	2009 €m
Sales of goods and services to:		
Associates	**36**	48
Joint ventures	**23**	22
	59	70
Purchase of goods and services from:		
Associates	**5**	8
Joint ventures	**9**	10
	14	18

Sales and purchases to and from associates and joint ventures were carried out on commercial terms and conditions and at market prices.

Year-end balances arising from sales and purchases of goods and services are as follows:

	2010 €m	2009 €m
Trade accounts receivable from:		
Associates	**19**	28
Joint ventures	**5**	4
	24	32
Trade accounts payable to:		
Associates	**2**	1
	2	1

RTL II is a party in legal proceedings with a subsidiary of RTL Group.

10. 3.
Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to its key management personnel (members of the Executive Committee), and contributes to a post-employment defined benefit plan on its behalf.

The key management personnel compensation is as follows:

	2010 €m	2009 €m
Short-term benefits and termination benefits	**6.6**	4.2
Post-employment benefits	**3.2**	0.1
	9.8	4.3

The aggregate number of share options expiring in 2010 and granted to key management personnel of the Company during 2010 and 2009 was €nil. The outstanding number of share options granted to directors and executive officers of the Company at the end of the year was 1,200 (2009: 12,700).

10. 4.
Directors' fees

In 2010, a total of €0.5 million (2009: €0.5 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors of RTL Group SA and the committees which emanate from it, with respect to their functions within RTL Group SA as well as other Group companies.

11. INTERESTS IN JOINT VENTURES

The main joint ventures are as follows:

	Country of incorporation	Consolidation rate in % 2010	2009
TCM Droits Audiovisuels SNC	France	**50.00**	50.00
RTL Disney Fernsehen GmbH & Co. KG	Germany	**50.00**	50.00

Included in the consolidated financial statements are the following items that represent the Group's interests in the assets and liabilities, income and expenses of the joint ventures:

	2010 €m	2009 €m
Non-current assets	**6**	9
Current assets	**48**	45
Non-current liabilities	**(3)**	(4)
Current liabilities	**(33)**	(30)
Net assets	**18**	20

	2010 €m	2009 €m
Income	**90**	87
Expenses	**(73)**	(68)

Included in the consolidated financial statements are the following items that represent the Group's interests in the commitments of the joint ventures:

	2010 €m	2009 €m
Contracts for purchasing rights, (co-)productions and programmes	**4**	3
Operating leases	**2**	3
Other long-term contracts and commitments	**9**	8

12. GROUP UNDERTAKINGS

	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
LUXEMBOURG*						
RTL Group SA			M			M

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
AUSTRIA*						
IPA Plus (Österreich) Verm. für Fernsehwerbung GmbH		**49.8**	F		49.8	F
BELGIUM*						
Home Shopping Service Belgique SA	(2)	**57.1**	F	(2)	57.2	F
RTL Belgium SA (*former TVI SA*)		**65.8**	F		65.8	F
Société Européenne de Télévente Belgique GIE	(2)	**48.4**	F	(2)	48.5	F
Unité 15 Belgique SA	(2)	**48.4**	F	(2)	48.5	F
CROATIA*						
RTL Hrvatska d.o.o. (*former RTL Croatia d.o.o.*)		**73.8**	F		73.8	F
CYPRUS*						
Alpha Media Group Limited	(18)	**69.7**	F	(18)	69.7	F
FRANCE*						
33 FM SAS	(2)	**46.0**	F	(2)	46.1	F
C. Productions SA	(2)	**48.4**	F	(2)	48.5	F
Citato Sàrl	(14)	**–**	NC	(2)	48.5	F
Club Téléachat SNC	(2)	**48.4**	F	(2)	48.5	F
DIEM 2 SA	(2)	**48.4**	F	(2)	48.5	F
Echo6 SAS	(2)	**48.4**	F	(2)	24.3	P
Edit TV/W9 SNC	(2)	**48.4**	F	(2)	48.5	F
Femmes en ville SAS	(14)	**–**	NC	(2)	48.5	F
Football Club des Girondins de Bordeaux SASP	(2)	**48.3**	F	(2)	48.4	F
FUN TV SNC	(2)	**48.4**	F	(2)	48.5	F
Girondins Expressions SASU	(2)	**48.4**	F	(2)	48.5	F
Girondins Horizons SASU	(2)	**48.4**	F	(2)	48.5	F
Home Shopping Service SA	(2)	**48.4**	F	(2)	48.5	F
Hugo Films SAS	(14)	**–**	NC	(2)	48.5	F
Immobilière 46D SAS	(2)	**48.4**	F	(2)	48.5	F
Immobilière M6 SA	(2)	**48.4**	F	(2)	48.5	F
La boîte à News Sàrl	(2)	**48.4**	F	(2)	24.3	F
Live Stage SAS	(2)	**48.4**	F	(2)	48.0	F
M6 Bordeaux SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Communication SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Créations SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Développement SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Diffusions SA	(2)	**48.4**	F	(2)	48.5	F
M6 Divertissement SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Editions SA	(2)	**48.4**	F	(2)	48.5	F
M6 Evénements SA	(2)	**48.4**	F	(2)	48.5	F
M6 Films SA	(2)	**48.4**	F	(2)	48.5	F
M6 Foot SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Interactions SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Numérique SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Publicité SASU	(2)	**48.4**	F	(2)	48.5	F

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
M6 Récréative SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Studio SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Thématique SA	(2)	**48.4**	F	(2)	48.5	F
M6 Toulouse SAS	(2)	**48.4**	F	(2)	48.5	F
M6 Web SAS	(2)	**48.4**	F	(2)	48.5	F
Mandarin SAS	(2)	**48.4**	F	(2)	48.5	F
Métropole Production SA	(2)	**48.4**	F	(2)	48.5	F
Métropole Télévision SA	(2)	**48.4**	F	(2)	48.5	F
Mistergooddeal SA	(2)	**48.4**	F	(2)	48.5	F
Monalbumphoto SAS	(2)	**46.0**	F		–	NC
Paris Première SA	(2)	**48.4**	F	(2)	48.5	F
SCI du 107	(2)	**48.4**	F	(2)	48.5	F
SEDI TV SA	(2)	**48.4**	F	(2)	48.5	F
Série Club SA	(2)	**24.2**	P	(2)	24.3	P
Société Nouvelle de Cinématographie SAS	(2)	**48.4**	F	(2)	48.5	F
Société Nouvelle de Distribution SA	(2)	**48.4**	F	(2)	48.5	F
Studio 89 Productions SAS	(2)	**48.4**	F	(2)	48.5	F
TCM Droits Audiovisuels SNC	(2)	**24.2**	P	(2)	24.3	P
Télévente Promotion SA	(2)	**48.4**	F	(2)	48.5	F
TF6 Gestion SA	(2)	**24.2**	P	(2)	24.3	P
TF6 SCS	(2)	**24.2**	P	(2)	24.3	P
Tyredating SAS	(15)	**–**	NC	(2)	15.9	E
Unité 15 France SA	(2)	**48.4**	F	(2)	48.5	F

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
GERMANY*						
Ad Audience GmbH		**24.9**	E		–	NC
CBC Cologne Broadcasting Center GmbH		**99.7**	F		99.7	F
Clipfish GmbH & Co. KG		**99.7**	F		99.7	F
El Cartel Media GmbH & Co. KG		**35.8**	E		35.8	E
Gute Zeiten – Schlechte Zeiten Vermarktungsgesellschaft mbH		**99.7**	F		99.7	F
I2I Musikproduktions- und Musikverlagsgesellschaft mbH		**99.7**	F		99.7	F
Infonetwork GmbH		**99.7**	F		99.7	F
IP Deutschland GmbH		**99.7**	F		99.7	F
Mediascore Gesellschaft für Medien und Kommunikationsforschung mbH		**75.0**	F		75.0	F
Norddeich TV Produktionsgesellschaft mbH		**74.8**	F		74.8	F
N-TV Nachrichtenfernsehen GmbH		**99.7**	F		99.7	F
Passion GmbH		**99.7**	F		99.7	F
RTL Creation GmbH		**99.7**	F		99.7	F
RTL Disney Fernsehen GmbH & Co. KG		**49.8**	P		49.8	P
RTL Group Cable and Satellite GmbH		**99.7**	F		99.7	F
RTL Group Deutschland Markenverwaltungs GmbH		**99.7**	F		99.7	F
RTL Hessen GmbH		**99.7**	F		99.7	F
RTL Hessen Programmfenster GmbH		**59.8**	F		59.8	F
RTL Interactive GmbH (*former RTL Enterprises GmbH*)		**99.7**	F		99.7	F
RTL Nord GmbH		**99.7**	F		99.7	F
RTL Television GmbH		**99.7**	F		99.7	F
RTL West GmbH		**74.8**	F		–	NC
RTL 2 Fernsehen Geschäftsführung GmbH		**35.8**	E		35.8	E
RTL 2 Fernsehen GmbH & Co. KG		**35.8**	E		35.8	E
S4M Solutions For Media GmbH		**19.8**	E		19.8	E
Tele West Rheinisch-Westfälische Fernsehgesellschaft mbH & Co. KG	(14)	**–**	NC		99.7	F
Universum Film GmbH		**99.7**	F		99.7	F
VG Media Gesellschaft zur Verwertung der Urheber und Leistungsschutzrechte mbH	(15)	**–**	NC		49.8	E
Vox Holding GmbH		**99.7**	F		99.7	F
Vox Television GmbH (*former Vox Film & Fernseh GmbH & Co. KG*)		**99.4**	F		99.4	F
Wer-Kennt-Wen de GmbH		**99.7**	F		99.7	F

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
GREECE*						
Alpha Doryforiki Tileorasi SA	(18)	**69.7**	F	(18)	69.7	F
HUNGARY*						
Home Shopping Service Hongrie SA	(2)	**48.4**	F	(2)	48.5	F
Klub Publishing Kiado Kft	(6)	**48.8****	F	(6)	48.8**	E
Magyar RTL Televízió Zártkörûen Mükõdõ Részvénytársaság	(6)	**48.8****	F	(6)	48.8**	E
NetPiac Szamitastechnikai es Kereskedelmi Kft	(6)	**48.8****	F	(6)	48.8**	E
R-Time Kft	(6)	**48.8****	F	(6)	48.8**	E

** *In 2009 RTL Group acquired an 18 per cent non-voting stake, thereby increasing its economic interest to 67 per cent (full consolidation from 1 April 2009). The 49 per cent voting rights remain unchanged.*

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
LUXEMBOURG*						
Broadcasting Center Europe SA		**99.7**	F		99.7	F
Content Union SA	(15)	–	NC	(17)	49.8	E
RTL 9 SA		**34.9**	E		34.9	E
RTL 9 SA & Cie SECS		**34.8**	E		34.8	E
NETHERLANDS*						
Couverts Reserveren BV		**73.4**	F		–	NC
RTL Nederland Broadcast Operation BV (*former Broadcasting Center Nederland BV*)		**73.4**	F		73.4	F
RTL Nederland BV		**73.4**	F		73.4	F
RTL Nederland Holding BV		**73.4**	F		73.4	F
RTL Nederland Interactief BV (*former RTL iMedia Holding BV*)		**73.4**	F		73.4	F
RTL Nederland Ventures 1 BV		**73.4**	F		–	NC
RTL Nederland Ventures 3 BV		**73.4**	F		–	NC
RTL Nederland Ventures BV		**73.4**	F		–	NC
Wentink Events BV		**58.8**	F		–	NC
RUSSIAN FEDERATION*						
LLC 21 TV	(21)	–	NC	(16)	30.0	E
OOO Aksept	(21)	–	NC	(16)	30.0	E
OOO Astrahanskaya Teleradioveschatelnaya Kompanya	(21)	–	NC	(16)	27.0	E
OOO Content Plus	(15)	–	NC	(17)	49.8	E
OOO Content Union Cinema	(15)	–	NC	(17)	49.8	E
OOO Content Union Distribution	(15)	–	NC	(17)	49.8	E
OOO Content Union Entertainment	(15)	–	NC	(17)	49.8	E
OOO Content Union Junior	(15)	–	NC	(17)	49.8	E
OOO Content Union Zoo	(15)	–	NC	(17)	49.8	E
OOO Efir	(21)	–	NC	(16)	30.0	E
OOO Ekspert Telemarket	(21)	–	NC	(16)	30.0	E
OOO Media Holding Ren TV	(21)	–	NC	(16)	30.0	E
OOO Nezavisimoe TV Balakovo	(21)	–	NC	(16)	15.0	E
OOO NPP Spectre	(21)	–	NC	(16)	15.3	E
OOO NT Angarsk	(21)	–	NC	(16)	15.3	E

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
OOO Ren TV Bryansk	(21)	–	NC	(16)	17.6	E
OOO RTL Russland	(21)	–	NC		99.7	F
OOO Servincom Plus	(15)	–	NC	(17)	49.8	E
OOO Teleradiokompanya Sintez TV	(21)	–	NC	(16)	30.0	E
OOO Uralskoe Radio	(21)	–	NC	(16)	30.0	E
OOO Zelenity Lug – KMV	(21)	–	NC	(16)	30.0	E
TVV Telekom	(21)	–	NC	(16)	30.0	E
ZAO ACB Prestige Television Kompanya	(21)	–	NC	(16)	30.0	E
ZAO Nezavisimoe Saratovskoe Televidinie	(21)	–	NC	(16)	30.0	E
ZAO Ren TV Television Kompanya	(21)	–	NC	(16)	30.0	E
ZAO Telecom-Azov	(21)	–	NC	(16)	22.5	E
ZAO Telecompanya August	(21)	–	NC	(16)	30.0	E
ZAO Telestantsiay Seti NN	(21)	–	NC	(16)	14.7	E
ZAO TRK Efir	(21)	–	NC	(16)	30.0	E
ZAO TRK Moloday Kultura Sibiri Plus	(21)	–	NC	(16)	30.0	E
SPAIN*						
Antena 3 Canarias SLU (*former Uniprex Television Digital Terrestre Canarias SLU*)	(7)	**21.5**	E	(7)	21.5	E
Antena 3 de Television SA	(7)	**21.5**	E	(7)	21.5	E
Antena 3 Directo SAU	(7)	**21.5**	E	(7)	21.5	E
Antena 3 Eventos SLU	(7)	**21.5**	E	(7)	21.5	E
Antena 3 Films SLU (*former Ensueno Films SL*)	(7)	**21,5**	E	(7)	21,5	E
Antena 3 Multimedia SLU	(7)	**21.5**	E	(7)	21.5	E
Antena 3 TDT De Canarias SAU	(7)	**21.5**	E	(7)	21.5	E
Antena 3 TV de Colombia SA	(7)	**11.8**	E	(7)	11.8	E
Antena de Radiodifusion SAU (*former Cadena de Voz de Radio Difusion SA*)	(7)	**21.5**	E	(7)	21.5	E
Atres Advertising SLU	(7)	**21.5**	E	(7)	21.5	E
Canal 3 Televisión de Colombia SA	(7)	**5.2**	E	(7)	5.2	E
Canal Media Radio Galicia SLU	(7)	**21.5**	E	(7)	21.5	E
Canal Media Radio SAU	(7)	**21.5**	E	(7)	21.5	E
Canal Radio Baleares SL	(7)	**21.5**	E	(7)	21.5	E
Canal Radio Castilla y Leon SLU	(15)	–	NC	(7)	21.5	E
Canal Radio Madrid SL	(7)	**21.5**	E	(7)	21.5	E
Canal Radio Valencia SLU	(7)	**21.5**	E	(7)	21.5	E
Corporacion Radiofonica Castilla Leon SAU	(7)	**21.5**	E	(7)	21.5	E
Estaciones Radiofonicas de Aragon SAU	(7)	**21.5**	E	(7)	21.5	E
Gestion Audiovisual Canarias	(7)	**4.3**	E		–	NC
Guadiana Producciones SAU	(7)	**21.5**	E	(7)	21.5	E

BROADCASTING TV

	NOTE	GROUP'S OWNER-SHIP 2010	CONSOLI-DATED METHOD (1)	NOTE	GROUP'S OWNER-SHIP 2009	CONSOLI-DATED METHOD (1)
I3 Television SL	(7)	**10.8**	E	(7)	10.8	E
Ipar Onda SAU	(7)	**21.5**	E	(7)	21.5	E
Medipress Valencia SAU	(7)	**21.5**	E	(7)	21.5	E
Movierecord Cine SAU	(7)	**21.5**	E	(7)	21.5	E
Musica Aparte SAU (*former Antena 3 Editorial SA*)	(7)	**21.5**	E	(7)	21.5	E
Onda Cero SAU	(7)	**21.5**	E	(7)	21.5	E
Organizaciones Deportivas y Culturales De Unipublic SAU	(7)	**11.0**	E	(7)	21.5	E
Publicidad 3 SAU	(7)	**21.5**	E	(7)	21.5	E
Radio Media Aragon SL	(7)	**21.5**	E		21.5	E
Radio Noticias Noventa SAU	(7)	**21.5**	E	(7)	21.5	E
Radio Sistemas Radiofonicos Cinco SLU	(7)	**21.5**	E	(7)	21.5	E
RKOR RADIO SLU	(7)	**21.5**	E	(7)	21.5	E
Uniprex SAU	(7)	**21.5**	E	(7)	21.5	E
Uniprex Television Digital Catalana SLU	(15)	**–**	NC	(7)	21.5	E
Uniprex Television Digital Terrestre Andalusia SL	(7)	**16.0**	E	(7)	21.5	E
Uniprex Television SLU	(7)	**21.5**	E	(7)	21.5	E
Uniprex Valencia TV SLU	(7)	**21.5**	E	(7)	21.5	E
Unipublic SA	(7)	**11.0**	E	(7)	21.5	E
Videoreport Canarias SA	(7)	**6.5**	E		–	NC
VNews Agencia de Noticias SL	(7)	**21.5**	E	(7)	10.8	E
SWITZERLAND*						
Goldbach Media (Switzerland) AG (*former IP Multimedia (Schweiz) AG*)		**22.9**	E		22.9	E
UK*						
5 Direct Ltd	(15)	**–**	NC	(3)	99.7	F
Channel 5 Broadcasting Ltd	(15)	**–**	NC	(3)	99.7	F
Channel 5 Engineering Services Ltd	(15)	**–**	NC	(3)	99.7	F
Channel 5 Interactive Ltd	(15)	**–**	NC	(3)	99.7	F
Channel 5 Music Ltd	(15)	**–**	NC	(3)	99.7	F
Channel 5 Television Group Ltd	(15)	**–**	NC	(3)	99.7	F
Channel 5 Text Ltd	(15)	**–**	NC	(3)	99.7	F
Top Up TV 1 Ltd	(15)	**–**	NC	(3)	99.7	F
USA*						
SND USA Inc	(2)	**48.4**	F	(2)	48.5	F

CONTENT

	NOTE	GROUP'S OWNER-SHIP 2010	CONSOLI-DATED METHOD (1)	NOTE	GROUP'S OWNER-SHIP 2009	CONSOLI-DATED METHOD (1)
ANTIGUA*						
Grundy International Operations Ltd		**100.0**	F		100.0	F
AUSTRALIA*						
Christie Films Pty Ltd	(15)	**–**	NC		49.0	P
Forum 5 Pty Limited		**100.0**	F		100.0	F
Fremantle (AUS) Productions Pty Ltd	(9)	**–**	NC	(9)	100.0	F
FremantleMedia Australia Holdings Pty Ltd	(12)	**100.0**	F	(12)	100.0	F
FremantleMedia Australia Pty Ltd (*former Grundy Television Pty Ltd*)	(12)	**100.0**	F	(12)	100.0	F
Grundy Organization Pty Ltd	(12)	**100.0**	F	(12)	100.0	F
Radical Media Pty Ltd	(20)	**100.0**	F			NC
BELGIUM*						
Belga Films SA	(***)	**–**	NC		65.8	F
Fremantle Productions Belgium NV		**100.0**	F		100.0	F

*** *90 per cent disposed of. Remaining 10 per cent subject to put/call option agreement exercisable in 2012.*

	NOTE	GROUP'S OWNER-SHIP 2010	CONSOLI-DATED METHOD (1)	NOTE	GROUP'S OWNER-SHIP 2009	CONSOLI-DATED METHOD (1)
BRAZIL*						
FremantleMedia Brazil Produção de Televisão Ltda		**100.0**	F		100.0	F
CANADA*						
FremantleMedia Canada Holdings Inc		**100.0**	F		–	NC
Ludia LLC		**100.0**	F		30.0	E
CHINA*						
Radical Media Co Ltd	(20)	**100.0**	F		–	NC
CROATIA*						
Fremantle Produkcija d.o.o.		**100.0**	F		100.0	F
CYPRUS*						
Bluescreen Ltd		**99.7**	F		99.7	F
DENMARK*						
Blu A/S		**100.0**	F		75.0	F
FINLAND*						
Fremantle Finland Oy		**100.0**	F		100.0	F
FRANCE*						
20h50 Television SAS		**100.0**	F		100.0	F
Be Happy Productions SAS	(14)	**–**	NC		100.0	F
Fremantle France SAS		**100.0**	F		100.0	F
FremantleMedia Drama Productions SAS	(14)	**–**	NC		100.0	F
TV Presse Productions SAS		**100.0**	F		100.0	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
GERMANY*						
Deutsche Synchron Filmgesellschaft mbH & Co. Karlheinz Brunnemann Produktions KG	(8)	**50.8**	F	(8)	50.8	F
Fremantle Licensing Germany GmbH (*former Geo Film GmbH*)		**99.7**	F		99.7	F
Grundy Light Entertainment GmbH (*former HDTV-Entert. Dressler GmbH*)		**100.0**	F		100.0	F
Grundy Light Entertainment/ White Balance GmbH GBR		**50.8**	F		50.8	F
Grundy UFA TV Produktions GmbH	(4)	**99.7**	F	(4)	99.7	F
Objektiv Film GmbH	(5)	**99.7**	F	(5)	99.7	F
Phöbus Film GmbH & Co. Produktions KG	(8)	**50.8**	F	(8)	50.8	F
Phoenix Film Karlheinz Brunnemann GmbH & Co. Productions KG	(8)	**50.8**	F	(8)	50.8	F
Phoenix Geschäftsführungs GmbH	(8)	**50.8**	F	(8)	50.8	F
Radical Media GmbH	(20)	**100.0**	F		–	NC
RTL Group Services GmbH (*former CLT-UFA Multi Media GmbH*)		**99.7**	F		99.7	F
Teamworx Television & Film GmbH		**99.7**	F		99.7	F
Trebitsch Produktion Holding GmbH	(5)	**99.7**	F	(5)	99.7	F
Trebitsch Produktion Holding GmbH & Co. KG	(5)	**99.7**	F	(5)	99.7	F
UFA – Brand Communication GmbH (*former UFA Film Finance GmbH*)	(4)	**99.7**	F	(4)	99.7	F
UFA – Fernsehproduktion GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA – Filmproduktion GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA Cinema GmbH		**99.7**	F		99.7	F
UFA Entertainment GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA Film- und Medienproduktion GmbH		**100.0**	F		100.0	F
UFA Film & TV Produktion GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA International Film & TV Produktions GmbH	(14)	**–**	NC	(4)	99.7	F
UFA Sports GmbH		**99.7**	F		99.7	F
GREECE*						
Fremantle Productions SA		**100.0**	F		100.0	F
Plus Productions SA	(18)	**69.7**	F	(18)	69.7	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
HONG KONG*						
Fremantle Productions Asia Ltd		**100.0**	F		100.0	F
HUNGARY*						
Grundy Magyarorszag TV Musorg Kft	(15)	**–**	NC		100.0	F
Magyar Grundy UFA Kft		**99.7**	F		99.7	F
INDIA*						
Fremantle India TV Productions Pvt Ltd		**100.0**	F		100.0	F
INDONESIA*						
PT Dunia Visitama		**100.0**	F		100.0	F
ITALY*						
FremantleMedia Italia Spa (*former Grundy Productions Italy Spa*)		**100.0**	F		100.0	F
JAPAN*						
FremantleMedia Japan KK		**100.0**	F		100.0	F
LUXEMBOURG*						
FremantleMedia SA (*former RTL UK Holdings SA*)		**100.0**	F		100.0	F
Hei Elei Film Productions SA (*former IFP SA*)		**99.7**	F		99.7	F
MEXICO*						
Grundy Productions SA de CV		**100.0**	F		100.0	F
NETHERLANDS*						
Blue Circle BV (*former RTL 4 Productions BV*)		**100.0**	F		100.0	F
Four One Media BV		**99.7**	F		–	NC
FremantleMedia (Netherlands) BV	(11)	**100.0**	F	(11)	100.0	F
FremantleMedia Operations BV	(11)	**100.0**	F	(11)	100.0	F
FremantleMedia Overseas Holdings BV		**100.0**	F		100.0	F
Grundy Endemol Productions VOF		**50.0**	P		50.0	P
Grundy International Holdings (I) BV		**100.0**	F		100.0	F
RTL Nederland Producties BV		**73.4**	F		73.4	F
POLAND*						
FremantleMedia Polska Sp.Zo.o.		**100.0**	F		100.0	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
PORTUGAL*						
FremantleMedia Portugal SA (*former Fremantle Producoes TV SA*)		**100.0**	F		100.0	F
RUSSIAN FEDERATION*						
Fremantle Productions LLC		**100.0**	F		100.0	F
SINGAPORE*						
Fremantle Productions Asia Pte Ltd		**100.0**	F		100.0	F
UFA Sports Asia Pte Ltd		**75.1**	F		–	NC
SLOVAKIA*						
UFA Slovakia s.r.o		**65.8**	F		65.8	F
SPAIN*						
Fremantle de Espana SL	(9)	**95.0**	F	(9)	95.0	F
FremantleMedia Espana SA (*former Grundy Producciones SA*)		**100.0**	F		100.0	F
SWEDEN*						
FremantleMedia Sverige AB		**100.0**	F		75.0	F
SWITZERLAND*						
Grundy Schweiz AG		**65.0**	F		65.0	F
TURKEY*						
FremantleMedia TV Film Yapim		**100.0**	F		100.0	F
UK*						
Arbie Production Ltd		**75.0**	F		50.0	P
Fremantle (UK) Productions Ltd		**100.0**	F		100.0	F
FremantleMedia Ltd		**100.0**	F		100.0	F
FremantleMedia Group Ltd		**100.0**	F		100.0	F
FremantleMedia Overseas Ltd		**100.0**	F		100.0	F
FremantleMedia Services Ltd (*former Little Pond Television Ltd*)		**100.0**	F		100.0	F
RTL Group Support Services (*former RTL Group Systems Ltd*)		**100.0**	F		100.0	F
Select TV Ltd		**100.0**	F		100.0	F
Talkback (UK) Productions Ltd		**100.0**	F		100.0	F
Talkback Productions Ltd	(13)	**100.0**	F	(13)	100.0	F
Talkback Thames Ltd (*former Not Any Old Radio Commercials Ltd*)	(13)	**100.0**	F	(13)	100.0	F
Thames Television Holdings Ltd		**100.0**	F		100.0	F
Thames Television Ltd		**100.0**	F		100.0	F
USA*						
All American Music Group	(10)	**100.0**	F	(10)	100.0	F
Allied Communications Inc		**100.0**	F		100.0	F
Amygdala LLC	(19)	**100.0**	F	(19)	100.0	F
Fremantle Goodson Inc	(10)	**100.0**	F	(10)	100.0	F
Fremantle Productions Inc	(10)	**100.0**	F	(10)	100.0	F
Fremantle Productions Latin America Inc		**100.0**	F		100.0	F
Fremantle Productions Music Inc	(10)	**100.0**	F	(10)	100.0	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2010	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2009	CONSOLIDATED METHOD (1)
Fremantle Productions North America Inc	(10)	**100.0**	F	(10)	100.0	F
FremantleMedia Licensing Inc	(9)	**100.0**	F	(9)	100.0	F
FremantleMedia North America Inc (*former Pearson Television Inc*)	(10)	**100.0**	F	(10)	100.0	F
Good Games Live Inc	(10)	**100.0**	F	(10)	100.0	F
LBS Communications Inc	(10)	**100.0**	F	(10)	100.0	F
Leroy & Morton Productions LLC	(20)	**100.0**	F		–	NC
Max Post LLC	(19)	**100.0**	F	(19)	100.0	F
Media Pie LLC	(20)	**100.0**	F		–	NC
Music Box Library Inc	(10)	**100.0**	F	(10)	100.0	F
Neville LLC	(19)	**100.0**	F	(19)	100.0	F
O'Merch LLC	(19)	**100.0**	F	(19)	100.0	F
Op Services LLC	(19)	**100.0**	F	(19)	100.0	F
Original Fremantle LLC	(19)	**100.0**	F	(19)	100.0	F
Original Prod'ions LLC	(19)	**100.0**	F	(19)	100.0	F
Outpost Digital LLC	(20)	**100.0**	F		–	NC
Radical Media LLC	(20)	**100.0**	F		–	NC
Reg Grundy Productions Holdings Inc	(10)	**100.0**	F	(10)	100.0	F
Studio Production Services Inc	(10)	**100.0**	F	(10)	100.0	F
The Baywatch Productions Company	(10)	**100.0**	F	(10)	100.0	F
Thumbdance LLC		**100.0**	F		100.0	F

BROADCASTING RADIO	NOTE	GROUP'S OWNER-SHIP 2010	CONSOLI-DATED METHOD (1)	NOTE	GROUP'S OWNER-SHIP 2009	CONSOLI-DATED METHOD (1)
BELGIUM*						
Cobelfra SA		**44.1**	F		44.1	F
Contact Vlaanderen NV		**42.1**	P		42.1	P
Inadi SA		**44.1**	F		44.1	F
IP Plurimédia SA		**65.8**	F		65.8	F
Joker FM SA		**44.1**	F		44.1	F
New Contact SA (*former Contact SA*)		**49.8**	P		49.8	P
Radio Belgium Holding SA		**44.1**	F		44.1	F
FRANCE*						
Ediradio SA		**99.7**	F		99.7	F
ID (Information et Diffusion) Sàrl		**99.7**	F		99.7	F
IP France SA		**99.7**	F		99.7	F
IP Régions SA		**99.7**	F		99.7	F
RTL Fun Développement Sàrl		**99.7**	F		99.7	F
RTL Net SAS		**99.7**	F		99.7	F
SCP Sàrl		**99.7**	F		99.7	F
SERC SA		**99.7**	F		99.7	F
Sodera SA		**99.7**	F		99.7	F
GERMANY*						
Antenne Niedersachsen GmbH & Co. KG		**49.7**	F		35.9	E
AVE Gesellsch. für Hörfunkbeteiligungen GmbH		**99.7**	F		99.7	F
AVE I Vermögensverwaltungsgesellschaft mbH & Co. KG		**49.7**	E		49.7	E
AVE II Vermögensverwaltungsgesellschaft mbH & Co. KG		**99.7**	F		99.7	F
AVE V Vermögensverwaltungsgesellschaft mbH		**99.7**	F		99.7	F
AVE VI Vermögensverwaltungsgesellschaft mbH & Co. KG		**49.7**	E		49.7	E
BCS Broadcast Sachsen GmbH & Co. KG		**39.9**	E		40.4	E
Funkhaus Halle GmbH & Co. KG (*former AH Antenne Hörfunksender GmbH & Co. KG*)		**57.0**	F		57.0	F
Hit Radio RTL Sachsen GmbH		**72.5**	F		73.5	F
MPD Medien-, Produktions- und Distributionsgesellschaft mbH & Co. KG	(14)	**–**	NC		57.0	F
Neue Spreeradio Hörfunkgesellschaft mbH		**99.7**	F		99.7	F
Radio Center Berlin GmbH		**99.7**	F		99.7	F
Radio Hamburg GmbH & Co. KG		**29.1**	E		29.1	E
RTL Radio Berlin GmbH		**99.7**	F		99.7	F
RTL Radio Deutschland GmbH		**99.7**	F		99.7	F
RTL Radiovermarktung GmbH & Co. KG		**99.7**	F		99.7	F
Rundfunk Beteiligungs- und Betriebsgesellschaft Blauen mbH		**42.0**	E		42.0	E
UFA Radio-Programmgesellschaft in Bayern mbH		**99.7**	F		99.7	F

BROADCASTING RADIO	NOTE	GROUP'S OWNER-SHIP 2010	CONSOLI-DATED METHOD (1)	NOTE	GROUP'S OWNER-SHIP 2009	CONSOLI-DATED METHOD (1)
NETHERLANDS*						
Radio 10 Gold BV		**73.4**	F		–	NC
Radio 538 BV		**73.4**	F		73.4	F
RTL FM BV		**73.4**	F		–	NC

OTHERS	NOTE	GROUP'S OWNER-SHIP 2010	CONSOLI-DATED METHOD (1)	NOTE	GROUP'S OWNER-SHIP 2009	CONSOLI-DATED METHOD (1)
AUSTRIA*						
RTL Group Austria GmbH		**99.7**	F		99.7	F
BELGIUM*						
Audiomedia Investments Bruxelles SA		**100.0**	F		100.0	F
FRANCE*						
IP Network SA		**99.7**	F		99.7	F
Société Immobilière Bayard d'Antin SA		**99.7**	F		99.7	F
GERMANY*						
RTL Group Central & Eastern Europe GmbH		**99.7**	F		99.7	F
RTL Group Deutschland GmbH		**99.7**	F		99.7	F
RTL Group GmbH	(14)	**–**	NC		99.7	F
RTL Group Vermögensverwaltungs GmbH		**100.0**	F		100.0	F
UFA Film & Fernseh GmbH		**99.7**	F	(4)	99.7	F
JERSEY*						
CLT-UFA Holdings Ltd	(15)	**–**	NC		99.7	F
LUXEMBOURG*						
B. & C.E. SA		**99.7**	F		99.7	F
CLT-UFA SA		**99.7**	F		99.7	F
IP Luxembourg Sàrl		**99.7**	F		99.7	F
IP Network International SA		**99.7**	F		99.7	F
Media properties Sàrl		**99.7**	F		99.7	F
Messino SA	(****)	**–**	F		–	NC
RTL Group Central & Eastern Europe SA		**99.7**	F		99.7	F
RTL Group Germany SA		**99.7**	F		99.7	F

**** *Consolidated as a Special Purpose Vehicle (SPV).*

NETHERLANDS*						
RTL Group Beheer BV		**100.0**	F		100.0	F
UK*						
CLT-UFA UK Radio Ltd		**99.7**	F		99.7	F
CLT-UFA UK Television Ltd		**99.7**	F		99.7	F

** Country of incorporation*

(1) M: parent company
F: full consolidation
P: proportionate consolidation
E: equity accounting
NC: not consolidated
(2) Groupe M6 ("de facto" control)
(3) Five Group
(4) UFA Berlin Group
(5) Trebitsch Group
(6) M-RTL Group ("de facto" control)
(7) Antena 3
(8) Phoenix Group
(9) Fremantle Licensing Group
(10) FremantleMedia North America Group
(11) FremantleMedia Productions Netherlands Group
(12) Grundy Organisation (Holdings) Group
(13) Talkback Productions Group
(14) Company absorbed by a company of the Group
(15) Company sold or liquidated
(16) Ren TV Group
(17) Content Union Group
(18) Alpha Media Group
(19) Original Productions
(20) Radical Media
(21) Loss of significant influence

AUDITORS' REPORT

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Capital social EUR 25.000
TVA LU20379877

TO THE SHAREHOLDERS OF RTL GROUP S.A.

REPORT OF THE RÉVISEURS D'ENTREPRISES AGRÉÉS ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of RTL Group S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 139 to 201.

BOARD OF DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE RÉVISEURS D'ENTREPRISES AGRÉÉS

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the Réviseurs d'Entreprises agréés including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Réviseurs d'Entreprises agréés consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements set out on pages 139 to 201 give a true and fair view of the consolidated financial position of the Group as at 31 December 2010, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated Directors' report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements.

Luxembourg, 9 March 2011

PricewaterhouseCoopers S.à r.l.
Represented by
Marc Minet

KPMG Audit S.à r.l.
Cabinet de révision agréé
Philippe Meyer

FULLY CONSOLIDATED PROFIT CENTRES AT A GLANCE

MEDIENGRUPPE RTL DEUTSCHLAND

	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Revenue	1,892	1,732	2,020	1,966	1,948
EBITA	551	366	414	329	297

GROUPE M6

	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Revenue	1,459	1,377	1,354	1,357	1,410
EBITA	245	195	196	237	249

FREMANTLEMEDIA

	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Revenue	1,272	1,183	1,203	1,132	1,128
EBITA	140	155	155	131	125*

** Restated*

RTL NEDERLAND

	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Revenue	429	371	436	408	350
EBITA	110	72	70	85	70

RTL BELGIUM

	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Revenue	219	203	216	210	186
EBITA	45	36	39	49	34

RTL RADIO (FRANCE)

	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Revenue	182	174	189	190	198
EBITA	24	15	32	33	33

RTL KLUB

	2010 €m	2009* €m	2008 €m	2007 €m	2006 €m
Revenue	105	83	–	–	–
EBITA	19	18	10**	7**	8**

**RTL Klub has been fully consolidated from April 2009 **Group contribution*

ALPHA TV

	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Revenue	61	70	–	–	–
EBITA	(21)	(34)	–	–	–

RTL TELEVIZIJA

	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Revenue	38	41	50	48	44
EBITA	(3)	(3)	2	2	0

FIVE-YEAR SUMMARY

	2010 **€m**	2009* €m	2008 €m	2007 €m	2006 €m
Revenue	5,591	5,156	5,774	5,707	5,640
– of which net advertising sales	3,421	3,062	3,656	3,615	3,418
Other operating income	54	43	37	71	86
Consumption of current programme rights	(1,676)	(1,673)	(2,095)	(2,048)	(1,968)
Depreciation, amortisation and impairment	(195)	(179)	(161)	(213)	(217)
Other operating expenses	(2,706)	(2,577)	(2,685)	(2,689)	(2,764)
Amortisation and impairment of goodwill and fair value adjustments on acquisitions of subsidiaries and joint ventures	(60)	(88)	(395)	(142)	(14)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(7)	–	(9)	76	207
Profit from operating activities	1,001	682	466	762	970
Share of results of associates	40	25	34	60	72
Earnings before interest and taxes (“EBIT”)	1,041	707	500	822	1,042
Net interest income/(expense)	10	4	21	(4)	2
Financial results other than interest	4	23	7	26	33
Profit before taxes	1,055	734	528	844	1,077
Income tax income/(expense)	(268)	(234)	(232)	(170)	34
Profit for the year from continuing operations	787	500	296	674	1,111
Loss from discontinued operations	(57)	(202)	–	–	–
Profit for the year	730	298	296	674	1,111
Attributable to:					
RTL Group shareholders	611	205	194	563	890
Non-controlling interests	119	93	102	111	221
Profit for the year	730	298	296	674	1,111
EBITA	1,111	796	916	898	851
Amortisation and impairment of goodwill (including disposal group) and fair value adjustments on acquisitions of subsidiaries and joint ventures	(60)	(88)	(395)	(152)	(14)
Impairment of investments in associates	(3)	(1)	(12)	–	–
Amortisation of fair value adjustments on acquisitions of associates	–	–	–	–	(2)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(7)	–	(9)	76	207
Earnings before interest and taxes (“EBIT”)	1,041	707	500	822	1,042
Earnings per share (in €)					
– Basic	3.98	1.33	1.26	3.67	5.79
– Diluted	3.98	1.33	1.26	3.67	5.79
Ordinary dividend per share (in €)	5.00	3.50	1.40	1.30	1.20
Extraordinary dividend per share (in €)	–	–	2.10	3.70	1.80
Dividends paid (€ million)	774	541	541	774	464
Average number of full-time equivalent employees	9,788	9,608	9,191	8,894	8,788
Net assets (€ million)	5,597	5,530	5,871	6,448	6,151
Net cash (€ million)	1,456	789	876	1,059	734

**Re-presented following the application of IFRS 5 to Five (discontinued operations)*

MASSY / FRANCE

"PASSENGERS TEND TO BE A LITTLE BIT WORRIED. HAVING RTL RADIO'S MUSIC PLAYING IN THE HELMET HELPS THEM TO RELAX."

DIDIER (40) / MOTORSCOOTER TAXI DRIVER

THE LEADING EUROPEAN ENTERTAINMENT NETWORK

RTL GROUP

ANNUAL REPORT 2010