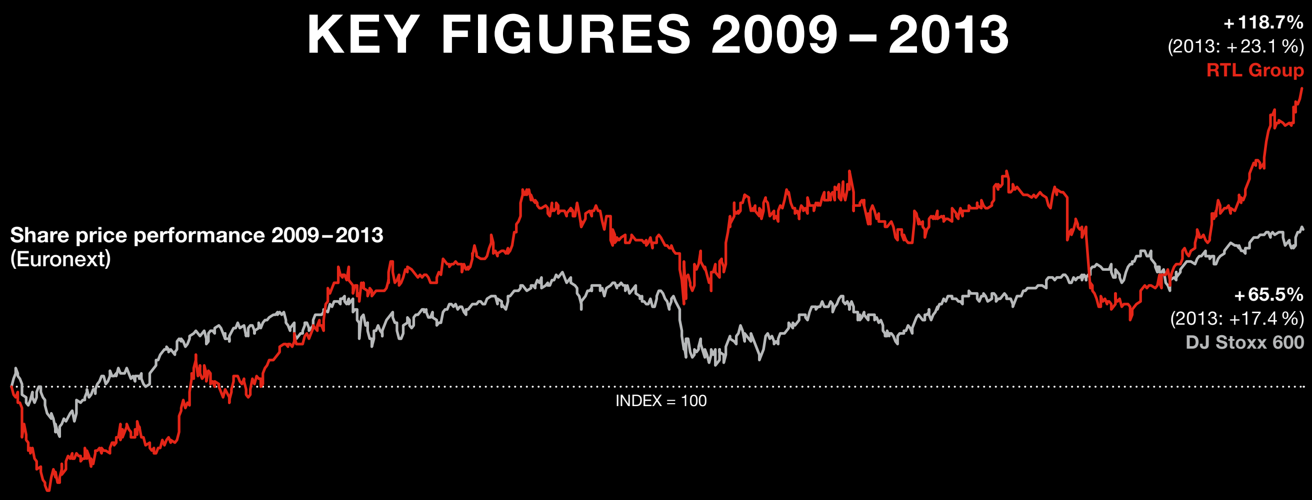
2013

Annual Report

The leading European entertainment network

KEY FIGURES 2009 – 2013



Revenue (€ million)

13	**5,889**
12	5,998
11	5,765
10	5,532
09	5,156

EBITA (€ million)

13	**1,152**
12	1,078
11	1,134
10	1,132
09	796

Net profit attributable to RTL Group shareholders (€ million)

13	**870**
12	597
11	696
10	611
09	205

Equity (€ million)

13	**3,593**
12	4,858
11	5,093
10	5,597
09	5,530

Market capitalisation (€ billion)*

13	**14.4**
12	11.7
11	11.9
10	11.9
09	7.3

* As of 31 December

Total dividend per share (€)

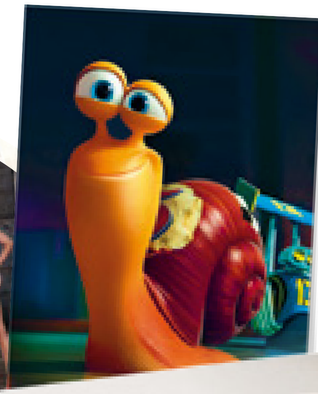
13	**7.00***
12	10.50
11	5.10
10	5.00
09	3.50

* Including an extraordinary interim dividend of €2.50 per share, paid in September 2013

2013

Annual Report

The leading
European
entertainment
network



RTL 5's hit show *Holland's Next Top Model* (left); and Dreamworks' *Turbo*, to be broadcast on Super RTL

FremantleMedia's Australian hit format *Wentworth*, now also travelling to Germany and The Netherlands

24 hours dedicated to our planet with *une journée pour la Terre*, on 6ter

From left to right:

Style Haul, every fashionista's favourite

Always up to something, Raymond (Gérard Hernandez) from M6's *Scènes de ménages*

All great things come in twos: *Die 2 – Gottschalk & Jauch gegen Alle*, broadcast on RTL Television

Contents

CHAIRMAN'S STATEMENT

RTL Group looks back on 2013 as a successful business year. Despite a generally difficult economic environment, with many European advertising markets in decline, the Group managed to increase its EBITA, EBITA margin and net profit year-on-year.

Thomas Rabe
Chairman of the Board of Directors

On one hand, this gratifying result reflects the robust nature of RTL Group's core business. On the other, it vindicates our strategic course, based on three priorities: **broadcast**, **content** and **digital**. In 2013 we made significant progress in all of these key areas.

For instance, RTL Group expanded its **broadcast** activities to South East Asia for the first time through a partnership with CBS. In September, the first pay-TV channel under the partnership was launched, and is already on air in Thailand, Malaysia, Singapore and the Philippines – with a line-up including many FremantleMedia hit formats such as *America's Got Talent*. The second channel was launched recently.

We also continued growing the area of **content** production in 2013. By taking over the majority of shares in the Danish production company Miso Film, we improved the position of FremantleMedia in Scandinavia and made a targeted investment in the attractive, rapidly growing drama genre.

"RTL Group again lived up to its role as the leading European entertainment network."

A special focus in the past year was the development of our **digital** businesses. Here we have significantly improved our position within a short time. Altogether, RTL Group offerings generated 16.8 billion online video views in 2013. A strategic partnership with the Canadian multi-channel network BroadbandTV, in which we have held a majority stake since June, played a significant part in this. However, our investments in Divimove and Style Haul also helped RTL Group become the number three player on Youtube, excluding music video services.

In addition to this strategic progress, in spring 2013 RTL Group realised the placement of 25.5 million shares that had previously been held by Bertelsmann, in a €1.5-billion public offering. While Bertelsmann will retain a stake of more than 75 per cent in RTL Group, we are now listed not only in Luxembourg and Brussels, but also on the Frankfurt Stock Exchange – and moved up onto its MDax index in September.

The strategic priorities and projects outlined also dominated the work of RTL Group's Board of Directors over the past year – as always in addition to our ongoing responsibilities such as reviewing financial and operating performance, investments and the Group's strategy. Our discussions, as well as our work in partnership with the Executive Committee, are characterised by a shared conviction: that the basis for RTL Group's success is the vast productive output of the creative professionals who form the heart of our value creation. We know that investment in creativity is investment in audience appeal – and thus in the future of our company.

This attitude will continue to shape RTL Group's work. I am delighted that, since last April, my Bertelsmann Executive Board colleague, Judith Hartmann, has supported us as a member of the Board of Directors. Meanwhile, I would like to thank Thomas Hesse, who resigned from the boards of both Bertelsmann and RTL Group at year end, for his work and contributions.

I am pleased that last year RTL Group again lived up to its role as the leading European entertainment network. This is the result of the hard work of more than 11,000 colleagues, whom I would like to take this opportunity to thank for their commitment. I would be delighted if our content continued to receive acknowledgement of millions every day – and if you, dear reader, were to continue to accompany us on our journey, with your attention and interest.

THOMAS RABE
CHAIRMAN OF THE BOARD OF DIRECTORS

CHIEF EXECUTIVES' STATEMENT

Guillaume de Posch
CO-CEO RTL GROUP

Anke Schäferkordt
CO-CEO RTL GROUP

"In recent years our results have repeatedly demonstrated that RTL Group is a very attractive business, generating value for our shareholders. Based on these strengths, we have defined a clear strategy to continue our success story," concluded RTL Group's Co-CEOs in the Annual Report 2012.

Picking up the same thread, we talked to Anke Schäferkordt and Guillaume de Posch about RTL Group's performance in 2013, what the increased free float means for the Group, and how they have executed the Group's strategy.

To start with, how did RTL Group perform in 2013?

Anke Schäferkordt: Operationally and financially, RTL Group has once again performed very strongly, and demonstrated its resilience in challenging economic conditions. With another record result from our largest profit centre, Mediengruppe RTL Deutschland, and good results from all other units, we have succeeded in growing all profit indicators: EBITA, profit margin and net result. RTL Group posted the highest ever full-year EBITA at €1,152 million. Our EBITA margin was again very healthy at 19.6 per cent, with all of our main broadcast operations reporting strong margins between 15.0 and 31.1 per cent. As for our net result, it increased significantly, by 45.7 per cent year-on-year.

Guillaume de Posch: Based on our very healthy financial position, we also made good progress in strengthening our core businesses and in building new growth engines in recent months. In August 2013, we announced a strategic alliance with CBS Studios International to launch two pay-TV channels in South East Asia. In content, we have strengthened FremantleMedia's global creative capabilities by acquiring a majority stake in Miso Film, a Danish drama production company. And through targeted investments, RTL Group has become the number three global player on Youtube, excluding music video services.

How was the economic environment in 2013?

Guillaume de Posch: It was again challenging. European TV advertising markets clearly reflected local macroeconomic developments. Only the German TV advertising market was estimated to be slightly up, while all our other markets were down year-on-year. Our families of TV channels in France, the Netherlands, Hungary and Croatia all gained TV advertising market share, while Mediengruppe RTL Deutschland's TV advertising market share was estimated to be stable year-on-year.

Anke Schäferkordt: RTL Group's diversification activities have also contributed to the Group's stability, especially in recent years with very volatile advertising markets. We strongly believe it is important to further diversify our revenue streams and to expand geographically. For instance, 42 per cent of our revenue originates from non-advertising activities, such as pay-TV, content production, rights trading, e-commerce and merchandising. The strength of our channel brands also provides opportunities for growing re-transmission fees from TV platform operators. Our aim is to receive a fair revenue share for our brands and programmes from the major distribution platforms – cable network operators, satellite companies and internet TV providers. It's a focus in all our territories.

2013 was clearly marked by the public share offering as Bertelsmann reduced its shareholding in RTL Group to 75.1 per cent. What does the increased free float mean for RTL Group?

Guillaume de Posch: First of all, it took a lot of flexibility. We had to complete the IPO process, which usually takes about six months, in three and a half months. Fortunately, we have highly experienced and professional people in the Corporate Centre and our business units. We are very grateful for their dedication and commitment, which made the public offering in April 2013 a big success. It was the largest IPO in the European media sector since 2004. The listing of our shares in the Prime Standard of the Frankfurt Stock Exchange, followed by the inclusion in the prestigious MDax stock index, clearly raised the stock market's awareness of RTL Group and its strengths. This naturally calls for increased transparency and a more intensive dialogue with investors and analysts.

Anke Schäferkordt: Following the IPO, 25.5 million RTL Group shares are now publicly traded. We have over 150 new major shareholders, mostly investment funds. The feedback from investors during our two-week roadshow in April 2013 was very positive. They believe RTL Group to be a high quality asset, with a strong balance sheet, high cash generation, market-leading positions and leading brands. Interestingly, in the United States – the most digitally advanced media market in the world – the future of television was never an issue. For me, this really confirmed once again that TV will be a big winner in the digital media world.

RTL Group's dividend payouts clearly interested many investors and analysts. What will be the dividend for the fiscal year 2013?

Guillaume de Posch: Our shareholders will again profit from RTL Group's excellent set of results. In September 2013, we already paid an extraordinary interim dividend of €2.50 per share for fiscal year 2013. In addition, our Board of Directors decided to propose a final dividend of €4.50 per share for fiscal year 2013, comprising an ordinary dividend of €2.50 per share and an extraordinary dividend of €2.00 per share. This proposal is a reflection of the Group's strong cash flows, investment plans and its target net debt to full-year EBITDA ratio of 0.5 to 1.0 times. Based on our average share price in 2013, all dividends

"Based on our average share price in 2013, all dividends for the fiscal year 2013, totalling € 7.00 per share, represent an attractive dividend yield of 10 per cent."

GUILLAUME DE POSCH

for the fiscal year 2013, totalling € 7.00 per share, represent an attractive dividend yield of 10 per cent.

Anke Schäferkordt: With our strong cash flows, we can combine attractive dividends with significant capacity to invest for profitable growth. This is important because we will continue to focus our work on long-term targets, on what we can really influence and control. To sum up: the significantly higher free float of RTL Group shares has not changed our strategy or management. RTL Group is now certainly under more intense scrutiny than before, but we will not strive for quarterly profit maximisation just to drive the share price up in the short-term.

Looking now at RTL Group's main operations, how did Mediengruppe RTL Deutschland perform in 2013?

Anke Schäferkordt: We achieved our best result ever. EBITA increased by 7.1 per cent to € 622 million, exceeding the € 600 million mark for the first time. This improvement is due to a combination of higher advertising revenue and continued cost discipline. Finally, at 31.1 per cent, the EBITA margin also reached a new record level.

What about audience ratings?

Anke Schäferkordt: In March 2013, to reflect the demographic change in the German population, Mediengruppe RTL Deutschland and its advertising sales house IP Deutschland changed the way they communicate audience shares. The profit centre's commercial target group is now the 14 to 59 age group, rather than 14 to 49. So with a combined average audience share of 30.6 per cent in the 14 to 59 group, the RTL family of channels remained 5.4 percentage points ahead of its main commercial competitor. Our flagship channel RTL Television remained viewers' number-one choice for the 21st consecutive year, and was also the only channel to score a double-digit audience share in this target group. But it's also true that RTL Television – like the other main TV channels in Germany – lost audience share year-on-year. We know that when the market fragments we have to fragment ourselves. This is why we launched RTL Nitro in April 2012 – and the channel continued to increase its ratings in 2013. And even if RTL Television has lost audience share, our market position remains very strong. 98 per cent of the highest-reach commercial breaks in German television are on RTL Television and Vox.

Groupe M6 launched a new channel as well. Are you also satisfied with its performance?

Guillaume de Posch: The free-TV channel 6ter was launched in December 2012, together with five other DTT channels in France. After a year of operation it has outperformed the other five to become the leader of the newly-launched channels with the commercial target group of housewives under 50. This is a remarkable result, and taking into account the growing fragmentation of the French market, we are indeed very satisfied.

Did the launch of 6ter affect Groupe M6's financial results?

Guillaume de Posch: The company's EBITA was down by 7.6 per cent to € 207 million, mainly due to the start-up costs of 6ter. Nevertheless this is something we anticipated and we are quite confident that our estimates as to when the channel will break even financially are accurate. The channel's good ratings and advertising revenue also confirm this. As for the overall TV advertising market in France, it reflected the gloomy economic climate and was down by approximately 4.0 per cent in 2013. Groupe M6, however, again outperformed the market and increased its share.

How did the other Groupe M6 channels do for audience share?
Guillaume de Posch: M6 remained the second most popular channel among housewives under 50, with 16.2 per cent audience share. 278 programmes passed the 4 million-viewer mark. The new access prime-time line-up was also a hit with audiences. Out of all the major channels, M6 had the best result in this time slot and attracted up to 600,000 additional viewers on average. Groupe M6's main digital channel, W9, remained the most-watched DTT channel in the key commercial target group, with an almost stable average audience share of 4.0 per cent. It was the DTT channel that most often exceeded the 1.5 million-viewer mark in prime time.

Did the difficult economic environment affect RTL Nederland's results?
Guillaume de Posch: The Dutch TV advertising market was estimated to be down by 3 per cent in 2013. However, RTL Nederland had a stellar year. Total revenue increased by 5.6 per cent to € 455 million, while its EBITA increased by 6.2 per cent to € 103 million, thanks to higher TV advertising and digital distribution revenues. In other words: RTL Nederland outperformed the market and significantly gained audience and TV advertising market share. Our Dutch family of channels achieved a combined prime time audience share of 33.5 per cent in the main commercial target group of viewers aged 20 to 49, up 1.2 percentage points year-on-year. In fact, all channels experienced audience growth, or performed at the same level as in 2012.

Turning to RTL Group's content business, in February 2013, FremantleMedia announced a strategic realignment. Why?
Guillaume de Posch: We fully supported Cécile Frot-Coutaz in this shift that aims to strengthen the company's core business activities, while creating a clearer focus for its future as a stronger and more unified company. Together with the management of FremantleMedia we defined the target to scale up the company across three areas: new genres, digital activities and geographic expansion. In the first half of 2013, FremantleMedia concluded its strategic realignment and since then it has proceeded with a series of investments and acquisitions such as Miso Film. Regarding digital activities, FremantleMedia is becoming the content producer of choice for innovative digital platforms such as Vice and Style Haul.

You stressed the long-term approach of RTL Group's strategy. What are your main goals for your broadcasting operations?
Anke Schäferkordt: I would name three main goals: to continue investing in top content across all genres as high audience shares will always form the basis of our success; to further strengthen our family of channels; and to expand into high growth markets. That's exactly what we did in 2013. RTL Television secured the highly attractive rights to broadcast the qualifying matches of the German national team for the European Football Championship 2016 and Football World Cup 2018. Following RTL Nitro in Germany and 6ter France, we just

"With our strong cash flows, we can combine attractive dividends with significant capacity to invest for profitable growth."

ANKE SCHÄFERKORDT

"RTL Group's digital revenues continued to show very dynamic growth, up 26 per cent to €236 million."

GUILLAUME DE POSCH

launched – with very good audience ratings – a new free-TV channel in Croatia, a kids and family channel named RTL Kockica. On 8 May 2014, Mediengruppe RTL Deutschland will launch a new special-interest pay-TV channel called Geo Television. All in all, RTL Group will have launched a total of six new channels in Europe from 2012 to 2014.

Guillaume de Posch: I already mentioned our partnership with CBS in the high-growth markets in South East Asia. Here, we target a potential market of 113 million TV households. The first channel – RTL CBS Entertainment HD – is already on air in Malaysia, Thailand, Singapore and the Philippines. The second one, RTL CBS Extreme HD, will launch at the end of March 2014.

The third pillar of the Group strategy is digital. How did you progress here?

Anke Schäferkordt: Online video remains at the heart of our digital strategy. Here is where we made the biggest jump over the past 12 months. With 16.8 billion online video views in 2013, RTL Group has become the leading European media company in online video. First of all, we are constantly expanding our advertising-funded catch-up TV services, and branching out into new business models such as subscription-based on-demand services, with Videoland Unlimited and NL Ziet in the Netherlands for example.

Guillaume de Posch: With a clear vision and idea of where we are heading, we made a series of targeted investments to build a strong position on Youtube, the biggest platform for online video. For us, Youtube can be compared to a worldwide cable network. With non-linear viewing growing rapidly, we need a strong presence on all platforms. In April 2013, we made a minority investment in Style Haul – the leading online video network for fashion and beauty – and later increased our shareholding to 26.1 per cent. RTL Group then formed a strategic partnership with BroadbandTV, Youtube's third largest multi-channel network, which currently manages more than 15,000 channels and generates around 1.5 billion video views per month. We now own a 57.5 per cent majority stake in the Vancouver-based company.

Why was this acquisition important?

Guillaume de Posch: This deal has clearly accelerated our expansion in the online video market, and together with the management team of BroadbandTV, we have defined an ambitious growth plan. BroadbandTV operates on a global scale. The business is a perfect fit and addition to the digital activities of both our broadcasters and FremantleMedia. It's about content, aggregation and advertising sales in the online video world – and thus close to our core competencies. The deals with Style Haul and BroadbandTV have strengthened our position in North America – the biggest and most innovative media market in the world. And in Europe, FremantleMedia invested in Divimove, the second largest German multichannel network on Youtube. As a result, RTL Group's digital revenues continued to show very dynamic growth – up 26 per cent to €236 million.

What are the Group's prospects for 2014?
Anke Schäferkordt: Over the second half of 2013, TV advertising market conditions improved in most of RTL Group's European territories. Assuming that European economies will continue to recover from the debt crisis, we expect our total revenue and EBITA for the full-year 2014, at constant scope and exchange rates, to be broadly stable.
Guillaume de Posch: In a nutshell: we have already started a lot of very promising initiatives, and the general economic outlook for 2014 is better than it was a year ago. But we won't sit back and relax. We want to do more. Yes, we will continue to apply strict investment criteria and a prudent business approach, but we definitely aim to accelerate RTL Group's revenue growth through both organic growth and acquisitions.
Anke Schäferkordt: Ultimately, our business is a people business. It's about creativity, story-telling and always being close to the audience. These qualities have always been our biggest asset. The results of our most recent employee survey also underlined that we have highly motivated, creative employees who identify strongly with both their work and their company. Together with this first-class team, we can – and we will – continue to add many new chapters to the RTL Group success story.

"Ultimately, our business is a people business. It's about creativity, story-telling and always being close to the audience."

ANKE SCHÄFERKORDT

2013
PROFIT CENTRES AT A GLANCE

MEDIENGRUPPE RTL DEUTSCHLAND

	2013	2012
Revenue	**€ 2,003 m**	€ 1,982 m
EBITA	**€ 622 m**	€ 581 m
Audience share*	**30.6 %**	31.3 %

*Target: 14–59

GROUPE M6

	2013	2012
Revenue	**€ 1,383 m**	€ 1,387 m
EBITA	**€ 207 m**	€ 224 m
Audience share*	**22.5 %**	22.9 %

*Target: housewives < 50 (including digital channels)

FREMANTLEMEDIA

	2013	2012
Revenue	**€ 1,533 m**	€ 1,711 m
EBITA	**€ 136 m**	€ 138 m

RTL NEDERLAND

	2013	2012
Revenue	**€ 455 m**	€ 431 m
EBITA	**€ 103 m**	€ 97 m
Audience share*	**33.5 %**	32.3 %

*Target: 20–49 (18–24h)

RTL BELGIUM

	2013	2012
Revenue	**€209m**	€210m
EBITA	**€46m**	€45m
Audience share*	**36.4%**	36.3%

*Target: shoppers 18–54 (17–23h)

RTL RADIO (FRANCE)

	2013	2012
Revenue	**€175m**	€180m
EBITA	**€29m**	€30m
Audience share*	**18.3%**	18.3%

*Target: 13+

RTL HUNGARY

	2013	2012
Revenue	**€100m**	€101m
EBITA	**€15m**	€9m
Audience share*	**38.0%**	37.3%

*Target: 18–49 (prime time, including cable channels)

RTL HRVATSKA

	2013	2012
Revenue	**€33m**	€31m
EBITA	**€0m**	€(9)m
Audience share*	**27.9%**	27.5%

*Target: 18–49 (20–23h)

RTL RADIO DEUTSCHLAND

	2013	2012
EBITA	**€10m**	€12m

ATRESMEDIA

	2013	2012
EBITA (Group contribution)	**€10m**	€6m
Audience share*	**31.0%**	28.0%

*Target: 16–54 (including digital channels)

ACTIONS SPEAK LOUDER THAN WORDS

Supported by 6ter, Tanguy de Lamotte and François Damiens sailed 10,000 kilometres to raise money to support children with serious cardiac illnesses

Commitment to good causes
Scan the QR code and watch a selection of RTL Group's diverse CR initiatives; from telethons to charity runs to raising awareness about worthy causes

Hitradio RTL Sachsen supports local clubs (Vereine) from Saxony with the Vereinsmeisterschaft (Club Cup)

'Stiftung RTL – Wir helfen Kindern' Director Wolfram Kons encouraging RTL Television viewers to donate money for the flood victims in Germany. In total €650,000 was raised that evening

76 RTL Nederland colleagues from different departments ran 5 or 10 kilometers for the charitable cause Spieren voor Spieren (Muscles For Muscles), an organisation which fights against muscle diseases. RTL Nederland sponsored the team

Fundación Atresmedia promotes classes for children in hospitals through its Programa de Asistencia Hospitalaria (Assistance Programme For Hospitals)

A long-time supporter of the Télévie - French singer Patrick Bruel

MESSAGE FROM ROMAIN MANNELLI

Chairman of the
RTL Group Corporate Responsibility Council (CRC)

TV is powerful. It entertains, informs and touches people's hearts and minds. It takes centre stage in most living rooms, and thus is, and will remain, the leading medium.

RTL Group is aware of the responsibility that comes with such influential reach and popularity. With a strong international presence, we are committed to communicating genuine, supportive and inspiring messages in our programmes. As one of Europe's foremost media organisations, we believe RTL Group is in an excellent position to champion a wide range of good causes, and to help bring to the public's attention important social problems that might otherwise go unreported or under-funded.

Again in 2013, we chose to focus our efforts on three areas where we believe we can have the greatest impact – media content, society and employees, and the environment – and many great initiatives took place across the Group at various locations. Some of the highlights of the year include our flagship charity events RTL Spendenmarathon in Germany and Télévie in Belgium and Luxembourg, which respectively raised €7.8 million and €8.7 million to support children in need throughout the world, and to finance research into cancer and leukaemia.

Further, when Typhoon Haiyan hit the Philippines on 8 November, many RTL Group businesses asked for donations to help the victims, including RTL Television in Germany, RTL 4 in the Netherlands, FremantleMedia in the United Kingdom and Atresmedia in Spain. In Luxembourg, the RTL Group Corporate Centre also contributed to the victims of Typhoon Haiyan by donating a cheque of €20,000 to Médecins Sans Frontières (MSF). It also participated in the first inter-company volunteer event in the Grand Duchy, offering voluntary support to 36 young people who were seeking work.

As far as the environment is concerned, RTL Group conducted its third carbon footprint measurement. The survey results reveal that RTL Group reduced its greenhouse gas emissions by nearly 18 per cent over the period 2008 to 2012.

In addition, 2013 saw the birth of a new CR organisation which we will progressively implement. The CR Network, comprised of CR representatives from RTL Group's business units, was created with the purpose to facilitate exchanging knowledge and best practice throughout the whole Group. RTL Group also became a member of the Media CSR Forum – a platform for exchange set up to develop Corporate Responsibility practices and understanding in the media sector.

Our focus in 2014 is to continue organising concrete initiatives, but also to see how – over and above simple compliance with regulations – we can create additional value through Corporate Responsibility, and contribute to the long-term development of the businesses throughout the whole Group.

These pages give readers a snapshot of RTL Group's approach and outlines initiatives from 2013. I hope it will help you appreciate how RTL Group gives back to society.

MEDIA CONTENT

Positive messages on-screen, online and on the radio across RTL Group.

In Germany, the motoring experts at Mediengruppe RTL Deutschland's channel Vox are helping not-for-profit organisations with their car problems. *The Take CARe* initiative keeps helpers rolling. For example, Cologne-based charity Caritas provides outreach and counselling for youngsters, and takes them on recreational trips. Car doctors Holger Parsch and Hans-Jürgen Faul fixed Caritas' van to help keep the charity's great work running smoothly.

Meanwhile, RTL Belgium has been cheering up the news across its family of channels in response to viewers' concerns about round-the-clock negative reporting. In association with popular NGO Reporters d'Espoir (Reporters Of Hope), the campaign looks to go beyond the heavy topics like politics and finance and broadcast more empowering and positive pieces, and give viewers more reasons to be cheerful.

After their successful adventures in Ibiza, Greece, Las Vegas and Austria, the cast of W9's reality TV show, *Les Ch'tis*, decided to stay closer to home in 2013, touring France in a bus to raise money for ELA (European Leukodystrophies Association), which supports children with rare genetic illnesses.

Case study

DEPICTING DELICATE ISSUES

Drug use is a difficult issue to tackle, but RTL Group channels find a way. RTL Television's popular series *Gute Zeiten, Schlechte Zeiten* (Good Times, Bad Times) has carefully leaned away from sensationalist portrayals of drugs to look instead into the motivations involved, even using humour to get important messages across. And RTL 4 in The Netherlands follows addicts going cold turkey for their family in *Verslaafd!*.

The programme's success is based not just on its depiction of the effects of addiction, but on how it demonstrates the power of family love.

CASE STUDY

WHEN IT'S FOR KIDS, THERE'S NO COMPETITION

RTL Group is one of the founding members of the *CEO coalition to make the internet a better place for kids*, launched by the European Commission in 2011. Other members include leading media, telecoms and technology companies from all across Europe.

The coalition launched in response to the emerging challenges arising from the diverse ways in which young Europeans go online. It has been working on numerous initiatives such as: simple reporting tools for users who experience problems; a choice of age-appropriate privacy settings; wider use of parental controls; and more effective takedown systems for material involving the sexual abuse of children.

The simple message is: when children's issues are concerned, it is co-operation and not competition that counts.

For Christmas 2013, Vox did not send out gifts to their business partners but instead donated € 25,000 to the Cologne-based children's charity, Fips

PRAISED HIGHLY FOR CHILD-RELATED PROGRAMMING

In June 2013, RTL Group's flagship French channel M6 won two awards from *Prix Média Enfance Majuscule* for its programmes on childhood and child protection:

- the Youth Incentives category for its reports on *Kid & Toi* – a regular educational slot aired on Sunday mornings in the *M6 Kid* programme that answers a range of questions on children's daily lives
- the Reports and Short Programmes Incentives category for a report aired on *100% Mag: Vacances: des familles accueillent des enfants défavorisés* (Holidays: Families Welcome Disadvantaged Children). The report followed the story of Mohammed, who has joined the same family for two years to go on holiday and enjoy winter sports

SOCIETY AND EMPLOYEES

Important social problems brought to the public's attention and employee recognition are part of RTL Group's corporate culture.

In Germany, the devastating floods that affected the east and south of the country stirred the 'Stiftung RTL – Wir helfen Kindern' foundation to encourage viewers to donate money towards emergency relief efforts, support victims and help reconstruction in the worst hit areas. Vox, N-TV and RTL II viewers also raised funds with donations quickly reaching well over € 1 million.

On 12 December 2013, the RTL Group Corporate Centre in Luxembourg hosted the *Café pour l'emploi* (Job Café). Organised by IMS Luxembourg, a body that promotes Corporate Social Responsibility, and the Ministry of Family and Integration, the event provided support for 36 young peoplestruggling with their first steps on the career ladder. It gave them useful contact with HR managers from nine IMS Luxembourg member companies, including Axa, BGL, BNP Paribas, PwC, Sodexo, Randstad and RTL Group. Each company offered personalised coaching, alongside workshops on job-searching, CV-writing and interview techniques. Plans for December 2014 are already well underway.

Also in December, Croatia's RTL pomaze djeci (RTL Helps Children) organised their seventh annual 'Budi mi Prijateli' (Be My Friend) campaign. In a prime time RTL Televizija broadcast, they raised 1.6 million HRK (over €200,000) in just two and a half hours. This was enough to finance 15 projects to help 1,400 children across the country. The money paid for medical equipment for children suffering from tumours, musical instruments for a school in a former war-torn area, and a daycare centre and garden for disabled children. The show, hosted by the Association's ambassador Antonija Blace, featured distinguished guests, including the Minister of Labour and the Minister of Health, alongside famous Croatian singers and actors. President of the Republic, Ivo Josipović, and First Lady, Tatjana, even answered phones in the call centre.

RTL Radio in France is known for its solidarity with important causes. In October 2013, it organised and ran an engaging editorial campaign to support 'Le Cancer du Sein, Parlons-en!' (Breast Cancer – Let's Talk About It). This association raises awareness of the illness. One in eight women risks developing breast cancer, which kills almost 12,000 women in France each year. Meanwhile, website *RTL.fr* began rallying its online audience around the 'Pink October' campaign as far back as May, starting with the national Estée Lauder Pink Ribbon Photo Award, which drew a huge response. Then in November, the station again dedicated an entire day and air time to supporting Les Restos de Cœur. The organisation distributes free meals to homeless and destitute people across the country, and in 2012 helped over a million individuals in need.

It also helped mark the second World Down's Syndrome Day and raise awareness of the condition, with Laura, a 19-year-old woman with Down's Syndrome, appearing on *Le choix d'Yves Calvi* to interview regular host Yves Calvi.

Finally, the 2013 Jean-Baptiste Dumas grant gave three journalism students the chance to join RTL Radio's editorial department as interns on contracts lasting from two months to one year. The theme was "Do the French have good reason to be increasingly pessimistic?" and they had one day to produce their report and present it to a jury presided over by *Journal du Dimanche* editor-in-chief Bruno Jeudy.

In Germany, The 'Commit Awards' encouraged aspiring journalists to create films exploring integration. Student category winner, Lisa Koinzer, examined cultural conflicts at her school in *Ein unbeschriebenes Blatt* sein (Being A Blank Piece Of Paper), while the young journalist prize went to Sabrina Kurth and Louisa Thomas for their film, *Migrantenelite* (Migrant Elite). Winners were invited to a TV workshop at the RTL School of Journalism in Cologne, and offered an internship at a Mediengruppe RTL Deutschland company.

> **"I am grateful to all who can assist the state and help the children as we live in very difficult times. Congratulations to everyone who worked on this project."**
>
> **IVO JOSIPOVIĆ** —— CROATION PRESIDENT OF THE REPUBLIC, DURING RTL TELEVIZIJA'S SEVENTH ANNUAL 'BE MY FRIEND' CAMPAIGN

Marking the second World Down Syndrome Day, RTL Radio host Yves Calvi traded seats with Laura, a 19-year-old woman with Down Syndrome

French actress Michèle Laroque and RTL Radio CEO Christopher Baldelli raise awareness on an important cause – breast cancer, during the 'Pink October' campaign (top), while in Croatia the President, Ivo Josipović and the First Lady, Tatjana lend a hand to RTL pomaze djeci (RTL Helps Children)

CASE STUDY

RTL SPENDENMARATHON AND WOLVERINE VS. WOLFRAM

The 2013 edition of the RTL Spendenmarathon raised €7.8 million. Since 1996, the success of this 24-hour-long charity event has been substantial, with more than €119 million collected and used for 'RTL – Wir helfen Kindern' projects aimed at helping children. In 2013, RTL Charity Director and anchor, Wolfram Kons, again did his best to rally the audience, partners and guests. He also made a bet with Hugh Jackman, known for his portrayal of Wolverine, and was able to collect funds, with the actor donating €20,000.

RTL SPENDENMARATHON 2009 — 2013

CASE STUDY

DIVERSITY IN MANAGEMENT AT RTL RADIO DEUTSCHLAND

In April, the 'Pay equality in companies – Germany', or Logib-D awards came around again, and RTL Radio Centre in Berlin was among the 34 recipients. Created by Germany's Federal Ministry for Family Affairs to promote equal pay, the awards honour companies that strive for gender equality in their HR and compensation policies. RTL Radio Center Berlin Managing Director, Stephan Schmitter, was delighted: "Equal pay and appropriate remuneration are important principles of our personnel policy. Even without a quota, almost half of our managers are women. The fact that we won an award in an independent audit shows we're on the right track." The Federal Ministry for Family Affairs praised RTL Radio Center Berlin, saying the company serves as a role model, having made equal pay a priority.

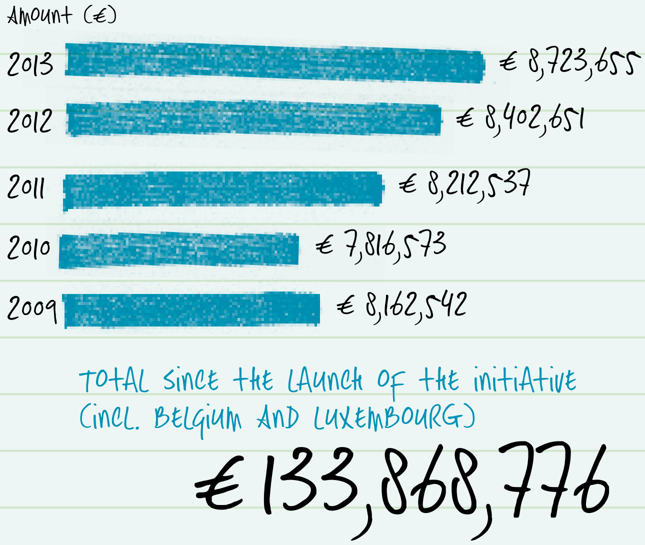
A chain of solidarity – RTL Group during the Télévie Challenge which helped raise the €55,000 (bottom) that contributed to collecting another record amount to finance cancer research projects in Belgium and Luxembourg (top)

CASE STUDY

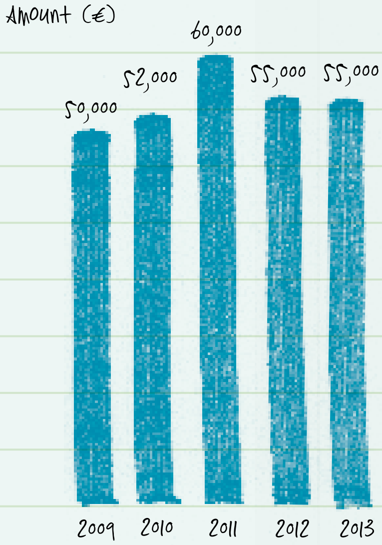
TÉLÉVIE & TÉLÉVIE CHALLENGE

The 2013 Télévie raised more than €8.7 million for cancer and leukaemia research – €320,000 more than in 2012. RTL Belgium and RTL Lëtzebuerg again rallied to the cause by organising a series of fundraising events, and broadcast the grand evening show featuring live performances from famous artists, and also testimonials from scientists and volunteers. For the ninth consecutive year, RTL Group's Corporate Centre lent its support to the cause, with the Télévie Challenge. From 12:00 to 20:00, 380 employees, guests, political and sports personalities attending the event took turns in a spinning challenge which raised €55,000.
Launched in 1989 in Belgium and in 2001 in Luxembourg the Télévie has since raised €133,868,776 for research projects in Belgium and Luxembourg.

AMOUNTS RAISED FOR THE TÉLÉVIE 2009 — 2013



TÉLÉVIE CHALLENGE 2009 — 2013



CASE STUDY

ATRESMEDIA

Corporate Responsibility is part of the business model at Spanish broadcasting company Atresmedia (formerly Grupo Antena 3) and since 2007 the company has been working hard to integrate CR issues into the day-to-day culture of the group, and its strategy. Its CR Committee includes representatives from all strategic areas of the company, aiming to widen and build on the work of its charitable foundation, formed in 2005, and position the company for sustainable competitive advantage.

In 2013, Atresmedia again ran again a series of initiatives and always seeks to take full advantage of its commercial reach to promote good causes.

CORPORATE 2013 RESPONSIBILITY

EMPLOYEES

In October, RTL Nederland launched their Fitness and Health Week – a whole week dedicated to health and lifestyle issues. Employees enjoyed a broad range of workshops in subjects such as nutrition and stress management, as well as sports training sessions. The aim was to create awareness about taking responsibility for our own health, and the initiative was well-received by all who took part.

At the Corporate Centre, in close collaboration with other Kirchberg-based companies, colleagues had the opportunity to partake in a campaign based on staying healthy when working in front of a screen. People could receive eye tests, an ergonomic analysis of their workstation, suggested improvements, and advice on working with a screen.

CASE STUDY

TYPHOON HAIYAN RELIEF EFFORTS

November's devastating typhoon in the Philippines prompted many RTL Group companies to call for donations, including RTL Television, RTL 4, FremantleMedia and Atresmedia. Straight after the disaster, 'RTL – Wir helfen Kindern' launched a major fundraising campaign and that quickly raised €650,000. This generosity allowed Action Medeor to deliver kits containing painkillers, antibiotics and surgical supplies, and Care to distribute desperately needed food packages.

RTL Television reported from the disaster areas, while across Europe, other RTL Group programmes joined the cause. In the UK *The X Factor* donated proceeds from votes and live performance downloads – and in the Netherlands, RTL 4, SBS 6 and public broadcasters teamed up with Dutch relief organisations to raise €18.5 million. In Spain, Atresmedia's ongoing partnership with Unicef meant viewers could contribute to rescue funds, while TV channel La Sexta used news segments to let viewers know how their donations were helping. At the RTL Group Corporate Centre in Luxembourg, the staff donated the entire Christmas party budget to the disaster fund. This helped Médecins Sans Frontières in Luxembourg send over 350 tonnes of medical and relief supplies and an emergency team of 100 specialists.

Romain Mannelli (second from right) presents a cheque for €20,000 to Paul Delaunois, General Director of Médecins Sans Frontières (MSF)

European Works Council

EMPLOYEE MATTERS – AND EMPLOYEES MATTER

For the European Works Council (EWC) at RTL Group, the major project of 2013 was the Employee Survey. The participation rate increased again, up to 87 per cent, confirming that employees see the survey as a useful tool to bring their views on working processes and conditions to senior management's attention, and improve them where necessary. This is the fourth survey since they started in 2002 at RTL Group, though from EWC's perspective the results show there is still room for improvement. "One of the major trends arising this year became apparent in the responses from several team leaders," says EWC chairman Kai Brettmann. "We are selecting them because they have special skills in their field of expertise – say journalism or film-making – but we aren't preparing them enough for their new management role. We shouldn't be surprised that the results aren't perfect." The EWC has subsequently asked for more training programmes for team leaders and their teams. Another development, a Bertelsmann project called Operational Excellence, sparked an intensive discussion between the EWC and RTL Group management. The EWC was informed about a comprehensive data collection and analysis, and feasibility studies on the business support functions Finance, HR, IT and Sourcing. The project shows there is still potential to identify cost-saving initiatives across the defined work streams. The EWC is in dialogue with RTL Group management to closely follow the next steps of the project.

ENVIRONMENT

Mediengruppe RTL Deutschland employees can register free to use Drive Now's car sharing schemes all over Germany, while in Hungary RTL Klub employees planted trees, among other initiatives, to mark environMINDday

Business success with responsible action towards environmental protection.

To coincide with World Environment Day on 5 June 2013, RTL Group companies once again organised their own environMINDday at RTL locations across Europe.

At RTL Nederland, 80 employees attended a climate change presentation by weather presenter Helga van Leur. Jeroen Marré, a member of the environMINDteam, said: "Helga stressed the fact that we only have one world – a world we need to pass on to our children. We need to change our behaviour. I now realise something really has to change." Already, since mid-February, a fleet of electric bikes and scooters have been available for RTL Nederland's employees. There's also a charging point for hybrid cars – some of which RTL Nederland leases to its staff – plus free rail passes, a subsidised bicycle purchase scheme and a range of ways individuals can cut their energy use at work.

Mediengruppe RTL Deutschland participated in environMINDday too, with the company's environment and health council (Arbeitskreis Umwelt und Rundum Gesund) joining Mediengruppe RTL Deutschland's health management team on environmental initiatives that focused on sustainability. 'Drive Now' offers a car sharing scheme in various cities throughout Germany. Employees can register free. Biking to work was also encouraged as an environmentally friendly and healthy alternative to driving, with bikes available to all Mediengruppe RTL Deutschland employees, while the 'Rundum Gesund' quiz that offered the chance to win a free gym membership.

Star presenters and employees at RTL Klub in Hungary planted ten trees around the site and saved energy by switching off air-conditioning in certain areas, then comparing energy consumption with that of a regular day. Employees who left their car at home for the day and cycled to work, or used stairs instead of elevators, received free fruit as part of the 'Get an apple – not an elevator' campaign.

RTL Group's French radio stations took part in environMINDday again this year, with the home page of the *RTL.fr* website turning green for the day. Listeners and internet users could consult a special file dedicated to environmentally friendly tips. Employees were offered an organic menu, and there was a drive to collect old telephones to sell to a recycling company and raise money for an environmental association. They were also encouraged to adopt environmentally friendly habits in recycling, energy, printing and paper use.

CASE STUDY

HOW RTL BELGIUM AIMS TO REDUCE ITS CARBON FOOTPRINT

In 2013, RTL Belgium made great progress towards meeting its objective of cutting its CO2 emissions by 20 per cent by 2020. The company has targeted its electricity consumption, which accounts for 75 per cent of its environmental footprint. The first step was buying green-only electricity. Later the company opted to install a brand-new photovoltaic power plant, unveiled at the 2013 environMINDday. According to estimates, this will provide the total electricity needs of the company canteen. The company also recently invested in an energy monitoring system that calculates and provides the building's total energy consumption, which has allowed them to find several important sources of savings.

Thomas Sotto presents *Capital Terre* on M6, an information magazine which focuses on environmental issues

Case study

RTL GROUP UNVEILS ITS ENVIRONMENTAL FOOTPRINT FOR 2012

For the third time since 2008, RTL Group has measured the emissions of greenhouse gases (GHGs) generated by its activities (across eight European countries), and the latest figures show a drop of almost 18 per cent between 2008 and 2012. RTL Group's Environment Chief Officer Tun Van Rijswijck says: "The significant drop is primarily due to lower energy consumption associated with new buildings and infrastructure, even though actual consumption of electricity has risen in line with growth in activities. Some is also due to changes made outside the Group, such as the electricity grids in both France and Luxembourg becoming more environmentally friendly." RTL Group has set a target of lowering its GHG emissions by 20 per cent by 2020, compared with the initial levels measured.

> "The significant drop is primarily due to lower energy consumption associated with new buildings and infrastructure, even though actual consumption of electricity has risen in line with growth in activities."

TUN VAN RIJSWIJCK —— RTL GROUP'S ENVIRONMENT CHIEF OFFICER

	Unit	2008	2010	2012	Evolution since 2008 (%)
Total emission of greenhouse gases (GWP*)	t	72,738	90,438	59,922	-17,7% ↘
Electric energy	kWh	92,080,194	118,901,571	97,858,285	6,3% ↗
Heat energy	kJ	93,067,625,485	95,285,058,482	88,752,064,870	- 4,6% ↘
Office paper	kg	252,630	201,583	207,363	-17,9% ↘
Water (public)	m3	158,453	102,595	148,749	- 6,1% ↘

* Figures not adjusted for the effects of acquisitions and disposals of businesses; GWP stands for Global Warming Potential

OPERATIONS

This chart illustrates the structure of RTL Group's principal businesses and undertakings as at 31 December 2013. The name of each company or service is followed by an indication of the percentage held directly or indirectly by RTL Group.

BROADCAST

	FREE-TV		DIGITAL PAY-TV		TV SERVICES		RADIO	
GERMANY	RTL Television	100 %	RTL Crime	100 %	CBC	100 %	104.6 RTL Berlins Hit-Radio	100 %
	Vox	99.7 %	RTL Living	100 %	Info Network	100 %	105.5 Spreeradio	100 %
	RTL II	35.9 %	Passion	100 %			RTL Radio – Die besten Hits im besten Mix[1]	100 %
	Super RTL	50 %	Geo Television[9]	100 %			Hit-Radio Antenne	49.9 %
	N-TV	100 %					Antenne Bayern	16 %
	RTL Nitro	100 %					Radio Hamburg	29.2 %
FRANCE	M6	48.6 %	Paris Première	48.6 %			RTL[1]	100 %
	W9	48.6 %	Téva	48.6 %			RTL 2	100 %
	6ter	48.6 %	Série Club	48.6 %			Fun Radio	100 %
	RTL 9	35 %	TF6	48.6 %				
			M6 Music Hits	48.6 %				
			M6 Music Black	48.6 %				
			M6 Music Club	48.6 %				
			Girondins TV	48.6 %				
THE NETHERLANDS	RTL 4[1]	100 %	RTL Lounge[1]	100 %			RTL Lounge	100 %
	RTL 5[1]	100 %	RTL Crime[1]	100 %				
	RTL 7[1]	100 %	RTL Telekids[1]	100 %				
	RTL 8[1]	100 %						
UNITED KINGDOM								
BELGIUM	RTL-TVI[1]	66 %					Bel RTL	44.2 %
	Club RTL[1]	66 %					Radio Contact	44.2 %
	Plug RTL[1]	66 %						
LUXEMBOURG	RTL Télé Lëtzebuerg	100 %			BCE	100 %	RTL Radio Lëtzebuerg	100 %
	Den 2. RTL	100 %			Enex	76.4 %	Eldoradio	100 %
CROATIA	RTL Televizija	100 %						
	RTL 2	100 %						
	RTL Kockica[8]	100 %						

CONTENT

DIGITAL

PRODUCTION	RIGHTS	ONLINE VIDEO	DIGITAL SERVICES	
UFA Fiction[3] 100 %	Universum Film 100 %	RTL Now 100 %	RTL Interactive 100 %	GERMANY
UFA Serial Drama[3] 100 %	UFA Sports 75.1 %	Vox Now 99.7 %	Netzathleten 100 %	
UFA Show & Factual[3] 100 %		RTL II Now 35.9 %	Gutscheine.de 100 %	
		Super RTL Now 50 %	Toggo 50 %	
		N-TV Now 100 %	Scoyo 50 %	
		RTL Nitro Now 100 %		
		Clipfish 100 %		
		Divimove 26%		
FremantleMedia France[3] 100 %	SND[5] 48.6 %	6play 48.6 %	M6 Web 48.6 %	FRANCE
123 Productions[3] 100 %		Golden Moustache 48.6 %	Mon album photo 48.6 %	
TV Presse[3] 100 %			Panorabanque 48.6 %	
20h50 Television[3] 100 %				
Studio 89[5] 48.6 %				
Blue Circle[3] 100 %	FremantleMedia Operations[3] 100 %	RTL XL 100 %	Buienradar 100 %	THE NETHERLANDS
Four One Media[3] 100 %		Videoland 65 %	Couverts 100 %	
Fremantle Productions[3] 50 %		Movie Max Online 65 %	Pepper 100 %	
		Videostrip 100 %	Squla 20.3 %	
FremantleMedia UK[3] 100 %	FremantleMedia Worldwide[3,4] 100 %			UNITED KINGDOM
FremantleMedia Belgium[3] 100 %		RTL à l'infini 66 %		BELGIUM
	CLT-UFA International[4] 100 %	RTL Replay 100 %		LUXEMBOURG
Fremantle Produkcija[3] 100 %		RTL Sada 100 %		CROATIA

BROADCAST

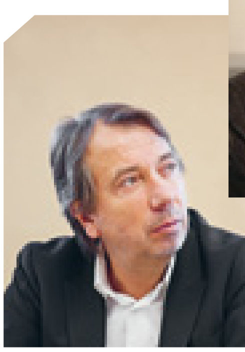
	FREE-TV		DIGITAL PAY-TV		TV SERVICES	RADIO	
SPAIN	**Antena 3**	20.5 %[6]	**Gol TV**	20.5 %[6]		**Onda Cero**	20.5 %[6]
	La Sexta	20.5 %[6]				**Europa FM**	20.5 %[6]
	Neox	20.5 %[6]					
	Nova	20.5 %[6]					
	Nitro	20.5 %[6]					
	Xplora	20.5 %[6]					
	La Sexta 3 Todo Cine	20.5 %[6]					
HUNGARY[7]	**RTL Klub**	100 %	**RTL II**	100 %			
			Cool	100 %			
			Film Plusz	100 %			
			Film Plusz Two	100 %			
			Prizma	100 %			
			Sorozat Plusz	100 %			
			Muzsika TV	100 %			
NORTH AMERICA							
AUSTRALIA							
ITALY							
SCANDINAVIA							
ASIA			**Big RTL Thrill**	50 %			
			RTL CBS Entertainment HD	70 %			
			RTL CBS Extreme HD[10]	70 %			

CONTENT		DIGITAL		
PRODUCTION	RIGHTS	ONLINE VIDEO	DIGITAL SERVICES	
FremantleMedia España[3] 100 %		**Atresplayer** 20.5 %[6]		SPAIN
Magyar Grundy UFA[3] 100 %		**RTL Most** 100 %		HUNGARY
FremantleMedia North America[3] 100 %		**BroadbandTV** 57.5 %	**Ludia**[3] 90.5 %	NORTH AMERICA
Original Productions[3] 75 %		**Style Haul** 26.1 %		
Radical Media[3] 62.5 %				
Fremantle Productions Latin America[3] 100 %				
FremantleMedia Australia[3] 100 %				AUSTRALIA
FremantleMedia Italia[3] 100 %				ITALY
Blu, Denmark[3] 100 %				SCANDINAVIA
Fremantle Entertainment, Finland[3] 100 %				
Fremantle Sverige, Sweden[3] 100 %				
Miso Film[3] 51%				
FremantleMedia India TV Productions[3] 100 %				ASIA

Principal businesses – extended list on pages 214 to 219. (1) Programmes broadcast by CLT-UFA under a Luxembourg license. (2) FremantleMedia has operations in 22 countries, including Brazil, Canada, China, India, Indonesia, Mexico, Poland and Portugal. (3) A FremantleMedia company. (4) Global. (5) A Groupe M6 company. (6) After deduction of treasury shares held by the entity; RTL Group share in March 2014: 19.8 per cent. (7) Cable channel Reflektor stopped broadcasting on 1 January 2013. (8) Launched 11 January 2014. (9) To be launched on 8 May 2014. (10) To be launched 27 March 2014

HOW WE WORK

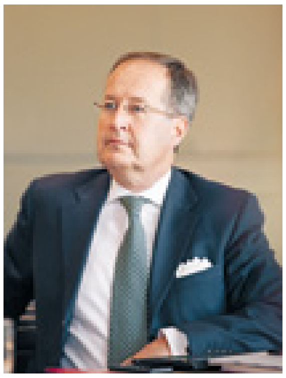
RTL Group follows a decentralised business model. Each profit centre is led by its own CEO. This entrepreneurial approach ensures each business can act quickly and flexibly in its local market. However, the profit centres are free to draw on the understanding and expertise of each other – to replicate successes, pass on ideas, and learn from mistakes. The RTL Group Corporate Centre in Luxembourg facilitates this co-operation.
RTL Group's Executive Committee – the two Co-CEOs and the CFO – sets and reviews the corporate strategy, based on three pillars: Broadcast, Content and Digital. The Operations Management Committee (OMC) is the principal forum for Group-wide discussion and decision-making, attended by all the profit centre CEOs and senior executives from the Corporate Centre. The



OPERATIONS MANAGEMENT COMMITTEE (OMC)

ANKE SCHÄFERKORDT	Co-Chief Executive Officer, RTL Group; Chief Executive Officer, Mediengruppe RTL Deutschland
GUILLAUME DE POSCH	Co-Chief Executive Officer, RTL Group
CHRISTOPHER BALDELLI	Chief Executive Officer, RTL Radio (France)
ALAIN BERWICK	Chief Executive Officer, RTL Lëtzebuerg
OLIVER FAHLBUSCH*	Senior Vice President, Corporate Communications & Marketing, RTL Group
CÉCILE FROT-COUTAZ	Chief Executive Officer, FremantleMedia
PHILIPPE DELUSINNE	Chief Executive Officer, RTL Belgium
VINCENT DE DORLODOT	General Counsel, RTL Group
DIRK GERKENS	Chief Executive Officer, RTL Hungary
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
ROMAIN MANNELLI	Executive Vice President, HR, RTL Group
ANDREAS RUDAS	Executive Vice President, Regional Operations & Business Development CEE and Asia, RTL Group
NICOLAS DE TAVERNOST	Président du Directoire, Groupe M6
GERT ZIMMER	Chief Executive Officer, RTL Radio Deutschland
EDUARDO ZULUETA	Consultant, Managing Director, Mabuat (Spain)
JOHANNES ZÜLL	Chief Executive Officer, RTL Hrvatska

*Permanent guest



OMC identifies specific areas for study by Synergy Committees (Sycos), the next layer down in a classic pyramid structure.
Throughout RTL Group's decentralised organisation, these Sycos have become one of the major means for sharing information and knowledge. Executives and specialists from across the Group meet regularly to discuss matters such as new trends and best practice. "They help transport the Group strategy to the business units," explains Andreas Fischer, VP Group Synergies and Mergers & Acquisitions, "but also help the Corporate Centre assimilate the ideas from the various territories, and facilitate a regular best practice exchange."

Each Syco generally meets twice a year, sometimes more frequently. These committees are so useful they have grown over time, and now cover programming, news, radio, advertising sales, new media, business affairs, marketing research and programme research, with the facility to convene a special Syco for a specialist topic on request.
The Sycos have always played a key role for the decentralised Group, but in a changing market environment, have assumed a growing importance. "When we look at our digital businesses, for example, we are no longer confronted with national competitors, but global," explains CFO Elmar Heggen. "So there is an understanding of the need to join forces and take a global perspective – and a willingness to do so." It's this collaboration under a Group umbrella strategy that gives business units an advantage over many of their national competitors.


THE
BOARD

Executive Directors

Anke Schäferkordt

Co-Chief Executive Officer

Anke Schäferkordt, born in 1962, has been CEO of RTL Television since September 2005. In November 2007, the German RTL family of channels adopted the corporate brand name Mediengruppe RTL Deutschland. In her capacity as CEO of RTL Television, Anke Schäferkordt is also CEO of Mediengruppe RTL Deutschland.

After receiving her degree in business administration, Anke Schäferkordt began her career at Bertelsmann in 1988. In 1991 she went to Cologne to become an Executive Assistant for sales controlling and strategic planning at RTL Plus (now RTL Television), taking over the controlling department the following year. From 1993 to 1995 she was a Director in charge of the Corporate Planning and Controlling division at RTL Television. In 1995 she moved to TV broadcaster Vox, serving as CFO and, from 1997 onwards, also as Programme Director. From 1999 until 2005 Anke Schäferkordt was CEO of Vox. In February 2005 she was appointed Chief Operating Officer and Deputy CEO of RTL Television, responsible for Finance, Technical Services, Information and Media Policy as well as the General Secretariat, the advertising sales unit IP Deutschland, the Vox channel and RTL Group's holdings in N-TV and Super RTL.

Since 18 April 2012, Anke Schäferkordt has been Co-CEO of RTL Group. In this capacity, she still retains her role as CEO of Mediengruppe RTL Deutschland. She also sits on the Executive Board of Bertelsmann Management SE, RTL Group's majority shareholder.

Mandates in listed companies: Member of the Supervisory Boards of BASF SE, Ludwigshafen, and of Software AG, Darmstadt
Nationality: German
First appointed: 18 April 2012

Guillaume de Posch

Co-Chief Executive Officer

Guillaume de Posch, born in 1958, started his career at the international energy and services company Tractebel (1985 to 1990) and then joined the global management consulting firm McKinsey & Company (1990 to 1993).

Guillaume de Posch began his career in the media industry at the Compagnie Luxembourgeoise de Télédiffusion (CLT) as assistant to the Managing Director (1993 to 1994) and then became Head of CLT's TV operations in French-speaking countries (1995 to 1997). From 1997 to 2003, he was Deputy General Manager and Programming Director of the French pay-TV company TPS, before joining the publicly listed ProSiebenSat1 Media AG in August 2003, first as Chief Operating Officer and then as Chairman of the Executive Board and CEO (2004 to 2008).

Guillaume de Posch was appointed Chief Operating Officer and a new member of the RTL Group Executive Committee on 1 January 2012.

With effect from 18 April 2012, Guillaume de Posch assumed the role of Co-CEO of RTL Group.

Nationality: Belgian
First appointed: 18 April 2012

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 with a 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.

Mandates in listed companies: Member of the Board of Directors of Regus PLC, London
Nationality: German
First appointed: 18 April 2012

Non-Executive Directors

Thomas Rabe

Chairman
CEO and Chairman of the Bertelsmann SE Executive Board

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 was Chief Financial Officer and Head of the Corporate Centre of Bertelsmann AG from 1 January 2006 to 31 December 2011. Since 1 January 2012, Thomas Rabe has been Chairman and CEO of Bertelsmann AG, now Bertelsmann SE & Co KGaA.

Committee membership: Audit, Nomination and Compensation
Mandates in listed companies:
Chairman of the Supervisory Board of Symrise AG, Holzminden
Nationality: German
First appointed: 12 December 2005 (effective 1 January 2006)
Re-elected: 18 April 2012

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, 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. From 2005 until 2013, he was 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)
Nationality: British
First appointed: 25 July 2000
Re-elected: 18 April 2012

Judith Hartmann

Chief Financial Officer
and Member of the Bertelsmann Management SE Executive Board

Judith Hartmann, born in 1969, holds a Masters Degree in International Business Administration and a Doctorate in Economics from the Economic University of Vienna, Austria. She began her career at The Walt Disney Company in Paris where she was promoted to Head of Finance of Disney Consumer Products Europe in 1999.

In 2000, Judith Hartmann moved to General Electric (GE) where she had commercial responsibility for business units such as GE Healthcare Latin America, GE Water Europe, Middle East & Africa and GE Healthcare Clinical Systems at the São Paulo, Brussels, Vienna and Wauwatosa (USA) offices. In 2011, she was appointed Chief Financial Officer of GE Deutschland. Here, her duties included overseeing the Controlling, Accounting, Finance and Business Development Finance departments, and she was also a member of the GE Global Executive Team.

Since 15 October 2012, Judith Hartmann has been Chief Financial Officer of Bertelsmann, as well as a member of the Bertelsmann Management SE Executive Board and of Bertelsmann's Group Management Committee (GMC).

Nationality: Austrian
First appointed: 17 April 2013

Thomas Hesse

Member of the Bertelsmann Management SE Executive Board (until 31 December 2013)

Thomas Hesse, born in 1966, holds a doctorate in economics and began his career in 1991 as a consultant with McKinsey & Company, leaving in 1996 to join what is now RTL Group, and subsequently taking on various executive positions within Bertelsmann until 2008.

Following the 2004 merger of BMG and Sony Music, Thomas Hesse served as head of the worldwide digital business and Chief Strategist at Sony BMG – now Sony Music Entertainment – from 2005 to 2010. In this position he was also responsible for US sales.

In November 2011, Thomas Hesse was appointed to the Bertelsmann AG Executive Board. His tasks were to advance the group's business development, build new businesses for Bertelsmann, and facilitate the digital transformation of the core businesses. In this role he was responsible for the growth platforms Bertelsmann Digital Media Investments (BDMI) and Bertelsmann Asia Investments (BAI), for the Education business, and for the holding in the BMG music rights company.

Thomas Hesse resigned his mandate as member of the Bertelsmann Executive Board with effect from 31 December 2013.

Nationality: German
First appointed: 12 December 2011 (effective 1 January 2012)
Re-elected: 18 April 2012

Bernd Kundrun

Investor

Bernd Kundrun, born in 1957, studied business administration at the universities of Münster and Innsbruck. In 1984, he started his career as Executive Assistant at the Bertelsmann Club. In 1993, he was appointed Chairman of the Management Board of the Bertelsmann Club.

In 1994, Bernd Kundrun became Managing Director of Premiere Medien in Hamburg. He was appointed a member of the Executive Board of Gruner + Jahr in August 1997 and was responsible for the company's newspaper division until 31 October 2000.

From November 2000 to 6 January 2009, Bernd Kundrun was Chairman of Gruner + Jahr's Executive Board and the company's CEO. During this time, he was also a member of the Executive Board of Bertelsmann. Since February 2009, Bernd Kundrun has been partner of the online donation platform *Betterplace.org* and since 2010 he has been Chairman of the Supervisory Board of *Gut.org*.

At the end of 2009, Bernd Kundrun founded the Start 2 Ventures Beteiligungsgesellschaft which provides online startups with initial capital. Furthermore he is a member of the Board of Directors of *Neue Zürcher Zeitung*, and of the Supervisory Board of CTS Eventim.

Nationality: German
First appointed: 18 April 2012

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).

Nationality: Luxembourger
First appointed: 9 December 2004
Re-elected: 18 April 2012

Non-Executive Directors

Rolf Schmidt-Holtz

Business founder and investor

Rolf Schmidt-Holtz, born in 1948 in Martinsreuth, Germany, is an examined lawyer and studied political science and psychology. Rolf Schmidt-Holtz has been an independent business founder and investor since April 2011. He was CEO of Sony Music Entertainment from February 2006 (until October 2008 Sony BMG Music Entertainment) to March 2011. Prior to this appointment, he served the company as Chairman of the Board from August 2004.

From January 2001 to August 2004, he was Chairman and CEO of Bertelsmann Music Group (BMG). At the same time, Rolf Schmidt-Holtz was a member of the Bertelsmann AG Executive Board (from 2000) and headed the BMG division, which consisted of the Sony BMG Music Entertainment joint venture and BMG Music Publishing. He also served the Bertelsmann Executive Board as Chief Creative Officer. Schmidt-Holtz was also a member of the Supervisory Boards of Gruner + Jahr and RTL Group. He is a member of the Bertelsmann Stiftung foundation's Board of Trustees.

Prior to running BMG, Schmidt-Holtz served as Chief Executive Officer of CLT-UFA. He later oversaw the merger of CLT-UFA with Pearson Television to form RTL Group. He is Co-Founder and Chairman of Just Software AG and Co-Founder and Partner of Hanse Ventures BSJ GmbH.

Committee membership: Nomination and Compensation
Nationality: German
First appointed: 18 April 2012

James Singh

Independent Director

James Singh, born in 1946, joined Nestlé Canada as Financial Analyst in 1977 and served the company in various executive positions until 2000 when he was appointed Senior Vice President, Acquisitions and Business Development, in Nestlé SA's headquarters in Vevey, Switzerland. James Singh was a member of the Executive Board, Executive Vice President and Chief Financial Officer of Nestlé SA from 2008 to 2012. He retired on 31 March 2012 after a long and distinguished career of 35 years with Nestlé.

He serves as Chairman of the Finance Committee of the European Round Table, as well as member of the International Integrated Financial Reporting Standard Committee.

Committee membership: Audit (Chairman)
Nationality: Canadian
First appointed: 18 April 2012

Executive Committee

Anke Schäferkordt
Co-Chief Executive Officer

In her capacity as Co-CEO of RTL Group, Anke Schäferkordt is responsible for the Group's largest profit centre, Mediengruppe RTL Deutschland, for which she also continues to serve as CEO.

Guillaume de Posch
Co-Chief Executive Officer

In his capacity as Co-CEO of RTL Group, Guillaume de Posch is responsible for the Group's broadcasting operations outside Germany, and the company's production business.

Elmar Heggen
Chief Financial Officer and Head of the Corporate Centre

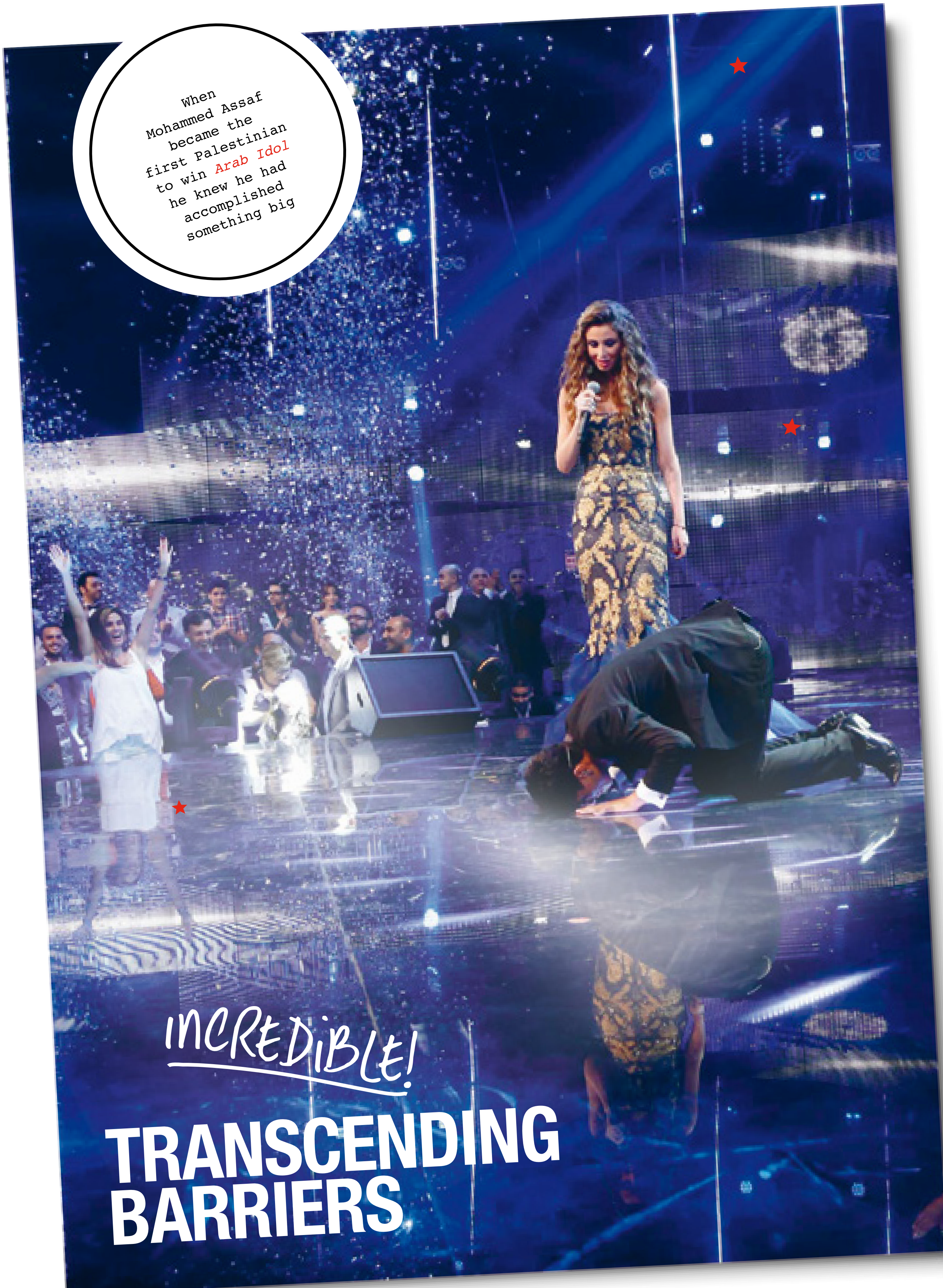
In his capacity as CFO and Head of the Corporate Centre of RTL Group, Elmar Heggen controls Finance and Legal. He also oversees the Group's operations in Luxembourg and Spain, and UFA Sports.

Andreas Rudas*
Executive Vice President, Regional Operations & Business Development CEE and Asia

Andreas Rudas, born in 1953, worked with the Austrian public broadcaster ORF from 1986 to 1997, eventually as Secretary-General from 1994 to 1997. In this role, he was responsible for business planning, media, 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 Executive Vice President Regional Operations & Business Development CEE and Asia with effect from 1 January 2009. In this capacity, he oversees RTL Group's operations in Croatia, Hungary, 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).

* *Permanent guest*


When Mohammed Assaf became the first Palestinian to win Arab Idol he knew he had accomplished something big
INCREDIBLE!
TRANSCENDING BARRIERS

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 2013 on pages 146 to 219.

	Year to December 2013 €m	Year to December 2012 €m	Per cent change
Revenue	**5,889**	**5,998**	**(1.8)**
Underlying revenue [1]	**5,914**	**5,998**	**(1.4)**
Reported EBITA [2]	**1,152**	**1,078**	**+6.9**
Reported EBITA margin (%)	**19.6**	**18.0**	
Reported EBITA	**1,152**	**1,078**	**+6.9**
Reversal of/(loss on) impairment of investment in associates and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	58	(92)	
Re-measurement of earn-out arrangements	1	2	
Impairment on disposal group	(10)	–	
Gain/(Loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	5	(9)	
EBIT	**1,206**	**979**	**+23.2**
Net financial income/(expense)	47	(11)	
Income tax expense	(305)	(277)	
Profit for the year from continuing operations	**948**	**691**	
Loss for the year from discontinued operations	–	(1)	
Profit for the year	**948**	**690**	**+37.4**
Attributable to:			
– Non-controlling interests	78	93	
– RTL Group shareholders	**870**	**597**	**+45.7**
Basic EPS continuing operations (in €)	**5.67**	**3.89**	
Basic EPS discontinued operations (in €)	–	(0.01)	
Reported EPS (in €)	**5.67**	**3.88**	
Proposed dividend per share (in €)	**4.50**	**–**	
Paid dividend per share (in €)	**2.50** [3]	**10.50**	

Significant profit growth in 2013

- Throughout 2013, European TV advertising markets reflected local macro-economic developments: the German TV advertising market was estimated to be slightly up, while all other markets were estimated to be down year-on-year. Over the second half of the year, market conditions improved in France, the Netherlands, Belgium and Spain

- RTL Group's families of TV channels in France, the Netherlands, Hungary and Croatia all gained TV advertising market shares; Mediengruppe RTL Deutschland's TV advertising market share was estimated to be approximately stable year-on-year

- Reported Group revenue was down 1.8 per cent to €5,889 million (2012: €5,998 million), as higher revenues from RTL Nederland and Mediengruppe RTL Deutschland were offset by lower revenue from FremantleMedia and exchange rate effects

- RTL Group's digital revenues[4] continued to show very dynamic growth, up 26 per cent to €236 million thanks to organic growth and new acquisitions

- EBITA increased 6.9 per cent to €1,152 million (2012: €1,078 million), primarily driven by significantly higher profit contributions from Mediengruppe RTL Deutschland

- Reported EBITA margin improved significantly to 19.6 per cent (2012: 18.0 per cent)

- Net profit attributable to RTL Group shareholders increased strongly by 45.7 per cent to €870 million (2012: €597 million). The increase reflects higher EBITA and the following positive one-off effects:
  - a reversal of a 2012 impairment, totalling €72 million, on RTL Group's shareholding in the Spanish broadcasting company Atresmedia (formerly Grupo Antena 3), as announced in the Group's half-year results on 22 August 2013
  - the gain from disposal of non-monetary investments amounting to €49 million

- Net cash from operating activities was €1,121 million, resulting in an operating cash conversion of 106 per cent and a net cash position of €36 million at the end of 2013 (30 September 2013: net financial debt of €451 million)

- RTL Group's Board of Directors decided to propose a final dividend of €4.50 per share for fiscal year 2013, comprising an ordinary dividend of €2.50 per share and an extraordinary dividend of €2.00 per share. This proposal is a reflection of the Group's strong cash flows, future investment plans and its target net debt to full-year EBITDA ratio of 0.5 to 1.0 times. In addition, RTL Group already paid an extraordinary interim dividend of €2.50 per share for fiscal year 2013 in September 2013

- Based on the average share price in 2013 (€70.51[5]), all dividends for the fiscal year 2013, totalling €7.00 per share, represent a dividend yield of 10 per cent

Good results from all profit centres – EBITA of Mediengruppe RTL Deutschland exceeded €600 million for the first time

- Mediengruppe RTL Deutschland achieved its best financial result ever: EBITA increased by 7.1 per cent to €622 million (2012: €581 million). This improvement was driven by a combination of higher advertising revenue and continued cost discipline

- In a declining French TV advertising market, Groupe M6 continued to outperform and increased its TV advertising market share. The company's EBITA was down to €207 million (2012: €224 million), mainly due to the start-up losses for the digital channel 6ter, launched in December 2012

- EBITA of RTL Nederland increased by 6.2 per cent to €103 million (2012: €97 million), thanks to higher TV advertising and digital distribution revenue. RTL Nederland significantly gained audience and TV advertising market share in 2013

- RTL Group's broadcasting operations in Belgium, Hungary and Croatia also increased their EBITA year-on-year, while the French radio family reported stable profit contribution

- Despite significantly lower revenue – mainly due to negative exchange rate effects and lower production revenue from Germany – FremantleMedia's EBITA showed only a small decrease to €136 million (2012: €138 million). As a result, the company's margin improved significantly to 8.9 per cent (2012: 8.1 per cent)

4 Excluding e-commerce, home shopping and distribution revenue for digital TV; 2012 figures not audited
5 Euronext Brussels; the average share price at the Frankfurt Stock Exchange for the period 30 April to 31 December 2013 was €71.71

RTL Group makes good progress across its three strategic pillars: broadcast, content and digital

BROADCAST:
significant investments in the existing footprint and in new high-growth Asian markets

- In July 2013, RTL Television secured the highly attractive rights to broadcast the qualifying matches of the German national team for the European Football Championship 2016 and Football World Cup 2018

- New TV channels in Europe strengthen RTL Group's family of channels:
  - In France, Groupe M6's new free-TV channel, 6ter, has become the leading channel in the commercial target group among the six DTT channels launched in December 2012
  - In August 2013, RTL Hrvatska was awarded a license for a new kids and family channel. The new free-TV channel, named RTL Kockica, was launched very successfully in January 2014. In February, the channel scored an average daytime audience share of 21.8 per cent among children
  - In October 2013, Mediengruppe RTL Deutschland announced plans to launch a new special-interest pay-TV channel called Geo Television. It is scheduled for launch on 8 May 2014
  - In total, RTL Group will have launched six new channels in Europe in the period 2012 to 2014

- In August 2013, RTL Group announced a strategic alliance with CBS Studios International to launch two pay-TV channels in South East Asia, targeting a potential market of 113 million TV households. The partnership is advancing well:
  - The first channel – RTL CBS Entertainment HD – is already on air in Malaysia, Thailand, Singapore and the Philippines
  - The second channel – RTL CBS Extreme HD – will launch at the end of March 2014 in Singapore

CONTENT:
global creative competencies strengthened

- In the first half of 2013, RTL Group's production arm FremantleMedia concluded its strategic realignment creating a clearer focus for its future as a stronger and more unified company. As a result, FremantleMedia has already scaled up investment in the creative pipeline and format development across all genres, launching 46 new shows in 2013

- In February 2014, FremantleMedia announced a partnership with Vice Media to create a multi-channel food platform. Both companies will develop and produce digital content for the Vice food vertical, which FremantleMedia will take to TV around the world

- In November 2013, FremantleMedia strengthened its scripted business and Nordic footprint by acquiring a 51 per cent stake in Miso Film. The Danish independent production company is focused on high end prime-time TV series and films for the Scandinavian and larger European markets

- In Germany, UFA Cinema's theatrical release *Der Medicus* (The Physician) premiered in cinemas on 25 December 2013, selling over 3.5 million tickets since its launch. The film was the number one in box office in Germany for two weeks

DIGITAL:
RTL Group has become the leading European media company in online video

- Through targeted investments, RTL Group has become the number 3 global player in the Youtube ecosystem (excluding music video services):
  - In April 2013, RTL Group made a minority investment in Style Haul, the leading online video network for fashion and beauty. In September 2013 RTL Group has further increased its stake and now has a shareholding of 26.1 per cent
  - In June 2013, RTL Group acquired a 57.5 per cent majority stake in BroadbandTV, Youtube's third largest multi-channel network (MCN). BroadbandTV currently manages more than 15,000 channels and generates around 1.45 billion video views per month
  - In September 2013, FremantleMedia acquired a minority stake in Divimove, the second largest MCN on Youtube in Germany, with potential for further investments in the future

- In July 2013, RTL Nederland acquired a 65 per cent stake in Videoland, the leading transactional video-on-demand (VOD) platform in the Netherlands. In April 2014, Videoland will launch a new 'all-you-can-watch' subscription on-demand service

- RTL Group's catch-up TV services and websites, including Broadband TV, attracted a total 16.8 billion online video views in 2013, up 143 per cent year-on-year
  - Thereof, FremantleMedia's more than 140 Youtube channels attracted 6.7 billion views, up 49 per cent year-on-year
  - Mobile video views increased by 59 per cent in Germany, by 57 per cent in France and by 176 per cent in the Netherlands

OUTLOOK

- Over the second half of 2013, TV advertising market conditions improved in most of RTL Group's European territories. Assuming that European economies will continue to recover from the debt crisis, RTL Group expects its total revenue, at constant scope and exchange rates, to be broadly stable

- RTL Group's EBITA for the full-year 2014 is also expected to be broadly stable

REVENUE

In Western, Central and Eastern Europe the Group experienced a difficult advertising market environment in 2013 with only the German market estimated to be slightly up year-on-year. After a difficult start to the year, the decline in advertising markets slowed in France, the Netherlands, Belgium, Spain and Croatia in the second half of the year.

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

	2013 net TV advertising market growth rate (per cent)	RTL Group audience share in main target group 2013 (per cent)	RTL Group audience share in main target group 2012 (per cent)
Germany	+1.0 to +2.0 [6]	30.6 [7]	31.3 [7]
France	(4.0) [8]	22.5 [9]	22.9 [9]
Netherlands	(3.0) [6]	33.5 [10]	32.3 [10]
Belgium	(1.7) [6]	36.4 [11]	36.3 [11]
Spain	(6.2) [12]	31.0 [13]	28.0 [13]
Hungary	(6.4) [6]	38.0 [14]	37.3 [14]
Croatia	(2.8) [6]	27.9 [15]	27.5 [15]

6 Industry/IREP/RTL Group estimates
7 Source: GfK. Target group: 14 – 59
8 Source: Groupe M6 estimate
9 Source: Médiamétrie. Target group: housewives under 50 (including digital channels)
10 Source: SKO. Target group: 20 – 49, 18 – 24 h
11 Source: Audimétrie. Target group: shoppers 18 – 54, 17 – 23 h
12 Source: Infoadex
13 Source: TNS Sofres. Target group: 16 – 54 (including La Sexta)
14 Source: AGB Hungary. Target group: 18 – 49, prime time (including cable channels)
15 Source: AGB Nielsen Media Research. Target group: 18 – 49, prime time

Total revenue decreased by 1.8 per cent to €5,889 million (2012: €5,998 million), as higher revenues from RTL Nederland and Mediengruppe RTL Deutschland were offset by lower revenue from FremantleMedia and exchange rate effects. On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was down 1.4 per cent, or €84 million, to €5,914 million.

EBITA

Reported EBITA increased by 6.9 per cent to €1,152 million (2012: €1,078 million), mainly driven by record results at Mediengruppe RTL Deutschland. As a result, the reported EBITA margin improved significantly to 19.6 per cent (2012: 18.0 per cent). The Group's EBITDA[16] for continuing operations was €1,338 million (2012: €1,257 million), resulting in an EBITDA margin of 22.7 per cent (2012: 21.0 per cent).

Group operating expenses were down 3.2 per cent at €4,830 million in 2013 compared to €4,992 million in 2012.

16 EBITDA represents EBIT excluding amortisation and impairment of non-current programme and other rights, of goodwill and disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, reversal of/(loss on) impairment of investments in associates, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

NET CASH POSITION

The consolidated net cash position at 31 December 2013 was €36 million (31 December 2012: €1,051 million).

	As at 31 December 2013 €m	As at 31 December 2012 €m
Gross balance sheet debt	(567)	(29)
Add: cash and cash equivalents	574	650
Add: cash deposit and others	29	430
Net cash position	**36**[17]	**1,051**

17 Of which €284 million held by Groupe M6 (2012: €313 million)

The Group continues to generate significant operating cash flow with an EBITA to cash conversion ratio of 106 per cent (2012: 101 per cent).

"Cash conversion" means operating free cash flow divided by EBITA. Free cash flow means net cash from operating activities adjusted for:
- Income taxes paid;
- Acquisitions of non-current programme and other rights, and of other intangible and tangible assets;
- Proceeds from the sale of intangible and tangible assets.

Cash conversion is a Group key performance indicator not defined by IFRS.

RTL GROUP VALUE ADDED

The central performance indicator for assessing the profitability from operations and return on invested capital is RTL Group Value Added (RVA). RVA measures the profit realised above and beyond the appropriate return on invested capital. This form of value orientation is reflected in strategic investment and portfolio planning, including the management of Group operations, and is the basis for senior management compensation.

The RVA is the difference between net operating profit after tax (NOPAT), defined as EBITA adjusted for a uniform tax rate of 33 per cent, and cost of capital. Cost of capital is the product of the weighted average cost of capital (a uniform 8 per cent after taxes) and invested capital (operating assets less non-interest-bearing operating liabilities). The present value of operating leases is also taken into account when calculating the invested capital.

REVIEW BY SEGMENTS

Revenue	Year to December 2013 €m	Year to December 2012 €m	Per cent change	Per cent of total 2013
Mediengruppe RTL Deutschland	2,003	1,982	+1.1	34.0
Groupe M6	1,383	1,387	(0.3)	23.5
FremantleMedia	1,533	1,711	(10.4)	26.0
RTL Nederland	455	431	+5.6	7.7
RTL Belgium	209	210	(0.5)	3.6
RTL Radio (France)	175	180	(2.8)	3.0
Other segments	349	304	+14.8	5.9
Eliminations	(218)	(207)	(5.3)	(3.7)
Total revenue	**5,889**	**5,998**	**(1.8)**	**100.0**

EBITA	Year to December 2013 €m	Year to December 2012 €m	Per cent change	Per cent of total 2013
Mediengruppe RTL Deutschland	622	581	+7.1	54.0
Groupe M6	207	224	(7.6)	18.0
FremantleMedia	136	138	(1.4)	11.8
RTL Nederland	103	97	+6.2	8.9
RTL Belgium	46	45	+2.2	4.0
RTL Radio (France)	29	30	(3.3)	2.5
Other segments	9	(37)	n.a.	0.8
Reported EBITA	**1,152**	**1,078**	**+6.9**	**100.0**

EBITA margins	Year to December 2013 per cent	Year to December 2012 per cent	Percentage point change
Mediengruppe RTL Deutschland	31.1	29.3	+1.8
Groupe M6	15.0	16.1	(1.1)
FremantleMedia	8.9	8.1	+0.8
RTL Nederland	22.6	22.5	+0.1
RTL Belgium	22.0	21.4	+0.6
RTL Radio (France)	16.6	16.7	(0.1)
Other segments	2.6	n.a.	n.a.
RTL Group	**19.6**	**18.0**	**+1.6**

MEDIENGRUPPE RTL DEUTSCHLAND

Financial results

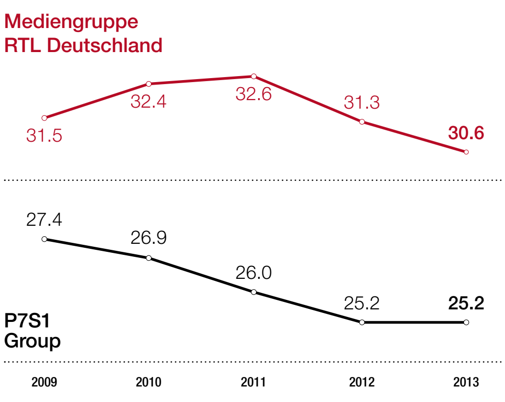
In 2013, the German TV advertising market was estimated to be slightly up by 1.0 to 2.0 per cent.

Overall revenue of Mediengruppe RTL Deutschland grew by 1.1 per cent to €2,003 million (2012: €1,982 million), mainly driven by higher TV advertising revenue and higher contribution from programme distribution. EBITA increased significantly by 7.1 per cent from the record level of €581 million in 2012 to a new high of €622 million in 2013. This improvement was driven by a combination of higher advertising revenue and continued cost discipline. At 31.1 per cent, the EBITA margin also reached a new record level (2012: 29.3 per cent).

	Year to December 2013 €m	Year to December 2012 €m	Per cent change
Revenue	2,003	1,982	+1.1
EBITA	622	581	+7.1

TV audience share

Source: GfK. Target: 14–59 2009–2013 (%)



Audience ratings

Since 1 March 2013, **Mediengruppe RTL Deutschland** and its advertising sales house IP Deutschland have changed the way they communicate their audience shares. Rather than focusing on viewers aged 14 to 49, they now focus on the key commercial target group of viewers aged 14 to 59. This move recognises the demographic change in the population of Germany.

The combined average audience share of Mediengruppe RTL Deutschland in the key 14 to 59 target group amounted to 30.6 per cent (2012: 31.3 per cent). The RTL family of channels remained clearly ahead of its main commercial competitor ProSiebenSat1 (25.2 per cent) and the public broadcasters (27.8 per cent).

With an audience share of 13.9 per cent in the target group of viewers aged 14 to 59 in 2013 (2012: 15.0 per cent), RTL Television remained viewers' number-one choice for the 21st consecutive year, and was also the only channel to score a double-digit audience share in this target group – 4.4 percentage points ahead of the second-highest rated channel, Sat 1. In terms of total audience, RTL Television scored an audience share of 11.3 per cent, coming in third behind ZDF (12.8 per cent) and ARD (12.1 per cent).

RTL Television TV AUDIENCE SHARE

Source: GfK. Target: 14–59 2009–2013 (%)

13	13.9
12	15.0
11	17.3
10	16.8
09	15.6

In 2013, **RTL Television** captivated viewers across all genres, from entertainment shows, live sporting events and daily soaps to factual entertainment and fiction formats. RTL Television's most watched broadcast of the year was the boxing match between Wladimir Klitschko and Alexander Povetkin in October. In total, 11.01 million viewers tuned in to the fight, giving the channel an audience share of 37.4 per cent among viewers aged 14 to 59. At the beginning of the year, the seventh season of *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity… Get Me Out Of Here!) attracted an average 7.48 million viewers. The average audience share among viewers aged 14 to 59 was 37.0 per cent.

The most watched real life format was once again *Bauer sucht Frau* (The Farmer Wants A Wife) which was watched by an average 22.1 per cent of 14 to 59-year-old viewers. In September, 24.7 per cent of viewers tuned in to the new show event *Die 2 – Gottschalk & Jauch gegen alle*.

An average 22.3 per cent of viewers aged 14 to 59 watched RTL Television's talent show *Das Supertalent* (Got Talent), with its new judging panel consisting of Dieter Bohlen, Guido-Maria Kretschmer, Bruce Darnell and Lena Gercke.

Three new journalistic documentaries proved popular with the target audience: *Team Wallraff – Reporter Undercover* was watched by 17.5 per cent of viewers aged 14 to 59, while both *Das Jenke-Experiment* and *Rach deckt auf* attracted an average 15.6 per cent.

RTL Television's main news programme, *RTL Aktuell*, was watched by an average 18.2 per cent of viewers aged 14 to 59 – again making it the most popular news format among young audiences.

Vox — **TV AUDIENCE SHARE**

Source: GfK. Target: 14–59 — 2009–2013 (%)

13	7.4
12	7.5
11	7.2
10	7.4
09	7.2

In 2013, **Vox**'s audience share in the target group of 14 to 59-year-old viewers was 7.4 per cent (2012: 7.5 per cent). The channel attracted particularly large audiences during the first half of the year – registering its best monthly audience shares in February (8.2 per cent), April (7.5 per cent) and June (7.4 per cent).

Shopping Queen and *Promi Shopping Queen* continued to captivate audiences with average audience shares of 8.9 and 6.8 per cent respectively. On 17 November, *Promi Shopping Queen* registered a new ratings record with 1.85 million viewers tuning in. The documentary *100 Songs, die die Welt bewegten* (100 Songs That Moved The World) got off to a great start, attracting an average 10.0 per cent audience share among viewers aged 14 to 59.

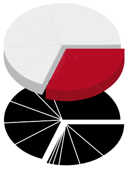
In February, part one of the eight-hour documentary *Die Geschichte des Menschen* (History Of The

"In 2013 Mediengruppe RTL Deutschland achieved the best result in the company's history. Key contributors included first of all our family of channels, which clearly leads the market in the target demographic, but also the fast-growing digital business. The fact that we long ago started offering our content across all platforms paid off again in 2013: Mediengruppe RTL Deutschland celebrated another a record year with 1.19 billion online video views."

ANKE SCHÄFERKORDT,
CO-CEO, RTL GROUP;
CEO, MEDIENGRUPPE RTL DEUTSCHLAND

National audience breakdown

Source: GfK. Target: 14–59 — 2013 (%)



RTL Television	13.9
Vox	7.4
RTL II	5.8
Super RTL	1.7
N-TV	1.0
RTL Nitro	0.9
Sat 1	9.5
Pro 7	8.8
ZDF	8.5
ARD	8.0
Kabel 1	5.3
Others	29.2

Differences due to rounding

World) attracted 7.9 per cent of the target audience, while 7.2 per cent of viewers tuned in for part two. The documentary *Die Siegfried und Roy-Story* also achieved good ratings, with 9.2 per cent of viewers aged 14 to 59 tuning in on 3 October.

In access prime time, the pilot episode of *Detlef muss reisen* (Detlef On Tour) registered an audience share of 12.3 per cent in the target group, while the cooking show *Das perfekte Dinner* (Come Dine With Me) attained an average audience share of 9.5 per cent. The new hotel documentary *Mein himmlisches Hotel* (My Celestial Hotel) registered an average audience share of 10.6 per cent in the two weeks it was on air.

The new US series *Grimm* has settled well into the channel's Wednesday crime line-up. Its average audience share in the target group was 8.8 per cent. The new US series *Arrow and Revenge* also proved popular.

RTL II — **TV AUDIENCE SHARE**
Source: GfK. Target: 14–59 — 2009–2013 (%)

13	5.8
12	5.6
11	5.0
10	5.3
09	5.5

RTL II increased its audience share among viewers aged 14 to 59 to 5.8 per cent (2012: 5.6 per cent), mainly driven by its access prime-time line-up, which consists of *Berlin – Tag & Nacht* and its spin-off *Köln 50667* as well as *Privatdetektive im Einsatz* and *X Diaries*. In prime time, docu-soaps such as *Die Geissens – Eine schrecklich glamouröse Familie* – which follows the unusual daily life of a family of self-made millionaires – and *Die Wollnys 2.0* proved popular with viewers.

RTL II continued to broadcast series such as *Game Of Thrones – Das Lied von Eis and Feuer* and *The Walking Dead* on a single weekend. The second season of the fantasy series scored an average audience share of 5.9 per cent in the target group of viewers aged 14 to 59, while season three of *The Walking Dead* was watched by 9.8 per cent of the target group.

With an audience share of 23.3 per cent (2012: 23.1 per cent) in the target group of 3 to 13-year-olds between 6:00 and 20:15, **Super RTL** remains well ahead of its competitors, Kinderkanal (20.1 per cent) and Nickelodeon (11.6 per cent). The channel has been the clear leader in the German children's TV market for 16 consecutive years, and currently reaches over 95 per cent of children aged 3 to 13 years in Germany, according to GfK.

Super RTL — **TV AUDIENCE SHARE**
Source: GfK. Target: 3–13 (6–20:15 h) — 2009–2013 (%)

13	23.3
12	23.1
11	24.1
10	22.8
09	24.2

In access prime time (17:00 to 20:15), Super RTL increased its average audience share by 1.3 percentage points to 20.0 per cent, thanks to the launch of new formats such as *Dragons – Die Reiter von Berk* and the channel's own productions *Woozle Goozle* as well as *Wow – Die Entdeckerzone* (Wow – Discovery Zone). In prime time, Super RTL scored highly with animation and cartoon movies which were broadcast on Thursdays and Fridays, including *Asterix erobert Rom*, which attracted 5.5 per cent of viewers aged 14 to 59.

N-TV attracted an average audience share of 1.0 per cent among viewers aged 14 to 59 during the reporting period (2012: 1.0 per cent). The channel's morning news programmes attracted an average 1.8 per cent of viewers aged 14 to 59. On 9 June, the special report about the flood in Germany was watched by 7.7 per cent of the target group, while coverage of the German federal elections in September attracted 1.7 per cent of viewers.

With a monthly audience share of 1.3 per cent among 14 to 59-year-olds in December 2013, **RTL Nitro** ended the year on a high note. The channel's average ratings for 2013 were 0.9 per cent among young viewers – up 0.5 percentage points year-on-year. Programming highlights included shows such as *Breaking Bad*, *Kojak* and *CSI*.

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 4.5 million subscribing households (2012: 4.1 million). In September 2013, Mediengruppe RTL Deutschland announced plans to launch a new special-interest pay-TV channel called Geo Television. It is scheduled to launch on 8 May 2014.

New media and diversification activities

RTL Interactive is responsible for diversification activities within Mediengruppe RTL Deutschland, including digital content and services.

The 'Now family' – which offers full episodes of TV content on demand and consists of RTL Now, Vox Now, RTL II Now, Super RTL Now, N-TV Now and RTL Nitro Now – collectively registered 708 million views (2012: 602 million video views), which represents 59 per cent of video views for websites managed by Mediengruppe RTL Deutschland. In March 2013, RTL Interactive launched the new RTL Now app for tablets and smartphones combining the video on demand service with the live TV programme. Since May 2013, Vox Now and RTL II Now have been available as apps for tablets and smartphones. Since December 2012, RTL Now, Vox Now and Super RTL Now have been available on HD Plus Replay, followed by N-TV Now in May 2013. Since December 2013, RTL Now and Vox Now have been available on televisions across Germany as part of Kabel Deutschland's Select Video cable offer.

Combining the video usage of these on-demand platforms for full episode TV content with the clip portal *Clipfish.de*, the newly launched Clipfish Smart TV Channels via HbbTV, and Mediengruppe RTL Deutschland's channel and thematic websites, the number of video views of professionally produced content remained stable at 1.19 billion. Around 16 per cent of these views were generated on mobile devices.

Including all mobile portals and applications of Mediengruppe RTL Deutschland's portfolio, mobile page impressions were up 14 per cent to 5.53 billion, while mobile video views were up 59 per cent to 187 million. These figures include apps from the news channel N-TV and *Mobil.N-TV.de*, which generated an average 247 million page impressions per month (up 26 per cent year-on-year), and a total of 2.96 billion page impressions in 2013. With up to 991,000 unique mobile users, according to AGOF Mobile Facts 2013-II, N-TV's apps rank first among German news apps.

With 21.9 million video views, *Ich bin ein Star – Holt mich hier raus!* achieved a new record on the German web, while RTL Interactive registered 1.45 million social media interactions about the show. With 64 million video views *Deutschland sucht den Superstar* was one of the channel's most popular shows.

In June 2013, Clipfish signed an extensive collaboration with BBC Worldwide for around 400 hours of TV series programming. Highlights include the 12th season of the International Emmy-winning car magazine, *Top Gear*.

In April, Mediengruppe RTL Deutschland and Zattoo, a provider of live internet TV, signed an agreement to broadcast linear TV programmes on the internet in Germany. Since June, the programmes of RTL Television, Vox, N-TV, RTL Nitro, Super RTL and RTL II have been available live on the internet with Zattoo's HiQ package.

In July, Mediengruppe RTL Deutschland signed a similar agreement with the Scandinavian internet TV provider, Magine, to include RTL Television, Vox, N-TV, RTL Nitro, Super RTL and RTL II in its subscription service.

At the end of 2013 Mediengruppe RTL Deutschland reached more than 16 million Facebook fans with all of its TV formats and content websites. With more than 3.1 million fans on its Facebook page – which is produced and managed by RTL II's online editorial team – *Berlin – Tag & Nacht* is Germany's most popular TV format on social media.

RTL Interactive also strengthened its transaction-based businesses during the reporting period with the launch of *Sonderangebote.de* which offers several thousand online discount vouchers, promotions and local coupons – one of the largest selections on the German internet. In February, RTL Interactive expanded its *Gutscheine.de* platform internationally with the launch of *Gutscheine.ch* in Switzerland.

GROUPE M6

Financial results

In 2013, Groupe M6's reported revenue was almost stable at €1,383 million (2012: €1,387 million). Lower revenues from home shopping and interactivity, as well as lower TV advertising revenues were partly offset by advertising revenue from the newly launched channel 6ter and higher revenues at SND from theatrical releases in August and October.

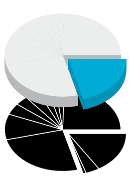
The French net TV advertising market was estimated to be down by 4.0 per cent over the reporting period. Groupe M6 again outperformed the market.

Reported EBITA of Groupe M6 decreased by 7.6 per cent to €207 million (2012: €224 million), mainly due to start-up losses for the digital channel 6ter.

	Year to December 2013 €m	Year to December 2012 €m	Per cent change
Revenue	1,383	1,387	(0.3)
EBITA	207	224	(7.6)

National audience breakdown

Source: Médiamétrie. Target: housewives < 50 2013 (%)



M6	16.2
W9	4.0
6ter	0.8
TF1	25.2
France 2	10.0
France 3	4.5
D8	3.7
TMC	3.7
NT1	2.9
Canal Plus	2.3
France 4	2.1
Others	24.6

Audience ratings

The combined total audience share of Groupe M6 was 14.9 per cent over the reporting period (2012: 15.5 per cent). In the main commercial target group of housewives aged under 50, the combined audience share was slightly down to 22.5 per cent (2012: 22.9 per cent).

M6 TV AUDIENCE SHARE

Source: Médiamétrie. Target: housewives < 50 2009–2013 (%)

13	16.2
12	17.0
11	17.2
10	16.5
09	17.2

M6 was once again the second most popular channel in France among housewives under 50, with an audience share of 16.2 per cent (2012: 17.0 per cent). In terms of total audience share (10.6 per cent), M6 remained the third most popular channel.

The channel's flagship programmes were popular in both prime time and access prime time. The eighth season of *L'Amour est dans le pré* (The Farmer Wants A Wife) scored an average of 5.9 million viewers (36.4 per cent of housewives under 50). The show was the highest-rated programme during the summer for the fourth consecutive year in terms of both target group and total audience. The format also made M6 the market leader among all target groups on Monday evenings for 15 consecutive weeks.

With an average total audience share of 16.7 per cent, *Top Chef* continued to attract viewers, as did US series such as *NCIS: Los Angeles*, *Once Upon Time* and *Body Of Proof*. With 5.1 million viewers (audience share: 31.6 per cent of housewives under 50), *Under The Dome* recorded the best launch of a new series on M6 since 2007, while *NCIS* was the channel's most-watched series of the year with 5.2 million viewers. *Capital* and *Zone Interdite* were the two most-watched evening magazines in France among viewers under 50.

During 2013, 278 programmes were watched by more than 4.0 million viewers. In access prime time, *Le 19:45* gained more than 700,000 viewers compared to its first year of broadcast (average audience share among housewives aged under 50: 23.3 per cent), while an average 4.3 million viewers means

Scènes de ménages (Domestic Disputes) has doubled its viewership since its launch in 2009.

The new afternoon show *Les Reines du Shopping* (Shopping Queen) gained popularity, attracting 220,000 viewers compared to the previous season. *La meilleure boulangerie de France* (France's Best Bakery) gained 600,000 viewers during the eight weeks in which it was broadcast.

Groupe M6's main digital channel, **W9**, remained the most-watched DTT channel in the key commercial target group, with an almost stable average audience share of 4.0 per cent among housewives aged under 50 (2012: 4.2 per cent). Underlining its positioning as a 'mini-generalist' channel, W9 scored high ratings in various genres, including movies, magazines, factual entertainment formats, reality TV shows and live broadcasts of Uefa Europa League football matches.

With 1.9 million viewers tuning in to the finale of the Europa League, W9 scored the best audience for a prime time sport programme on DTT in France. On 22 July, the channel's broadcasts of the European Women's Football Championship attracted 1.8 million viewers for the quarter final between France and Denmark. With the new dating format *Séduis-moi si tu peux* (Take Me Out), attracting an average total audience share of 3.7 per cent (7.0 per cent of viewers under 50), W9 became the leading DTT channel and – among viewers under 50 – the third most-watched channel in France in this timeslot.

The newly launched channel **6ter** established itself as the leader among the new DTT channels launched in December 2012 in the target group of housewives under 50, with an audience share of 0.8 per cent in the reporting period.

In the pay-TV environment, Groupe M6's channels confirmed their leading positions in their key target groups. Among the 114 thematic channels in the Médiamétrie survey Médiamat Thématik – which measures TV audiences among French households equipped with cable, satellite or IPTV – **Paris Première** was the most-watched channel in the upper socio-demographic category in the strategic prime time slot, 20:45 to 24:00, while **Téva** was again the top choice of housewives aged under 50 (audience share: 1.1 per cent).

"In 2013, in spite of very strong competition and a difficult economic environment, Groupe M6 strengthened its positions thanks to the solid performance of its channels and diversification activities."

NICOLAS DE TAVERNOST,
PRÉSIDENT DU DIRECTOIRE,
GROUPE M6

New media and diversification activities

In November, M6 Web launched the new digital platform **6play** for its free-TV channels M6, W9 and 6ter, offering simple access to Groupe M6, more than 800 hours of content each month, and live streaming of the channels M6, W9 and 6ter. Since its launch, 6play recorded over 650 million video views and 2.5 million unique visitors per month, while the mobile app has been downloaded more than 11.5 million times.

In June 2013, Groupe M6 launched M6, W9 and 6ter apps for Windows phones. After deployment on the Xbox 360 console and Windows 8, the launch marked a new stage in the partnership between Microsoft and M6 Web. By the end of 2013, Groupe M6 apps for iPhone, iPad and Windows phones had registered 12.7 million downloads.

In 2013, M6 Web reached an average audience of 12.1 million unique users per month across its network of 20 internet sites (2012: 12.2 million). The M6 Mobile by Orange service had reached 2.8 million customers by the end of December 2013, up from 2.4 million in December 2012.

The football club Girondins de Bordeaux – which is owned by Groupe M6 – ended the French League 1 championship in seventh place, and won the French Cup, qualifying the team for the Europa League.

On 18 December 2013, Groupe M6 announced that it had entered into advanced negotiations with Groupe Darty PLC to the sale of all shares held in Mistergooddeal SA. Accordingly, Mistergooddeal is presented as a disposal group held for sale.

FREMANTLEMEDIA

Financial results

Revenue of FremantleMedia – RTL Group's production and brand exploitation arm – decreased by 10.4 per cent to €1,533 million (2012: €1,711 million), mainly because of exchange rate effects as well as lower revenue contributions from Germany.

Accordingly, EBITA was slightly down to €136 million (2012: €138 million). Excluding the positive one-off effect in Q3/2012 resulting from the sale of a building in London, FremantleMedia's EBITA would have been up year-on-year.

	Year to December 2013 €m	Year to December 2012 €m	Per cent change
Revenue	1,533	1,711	(10.4)
EBITA	136	138	(1.4)

Strategic Realignment

Following a strategic realignment in the first half of 2013, FremantleMedia's strategy focuses on four pillars:

- Maintaining the company's position as a leading producer of quality programming by nurturing on-air shows and investing in the creative pipeline to develop new formats and brands
- Diversifying FremantleMedia's portfolio by strengthening its local businesses and increasing drama
- Maximising the global FremantleMedia network by increasing scale in strategic markets
- Building a scalable digital business

Production businesses

In 2013, FremantleMedia's global network of production companies was responsible for creating 8,500 hours of programming, rolling out more than 60 formats and airing 356 productions worldwide. The business also distributed more than 20,000 hours of content in over 200 territories, making FremantleMedia one of the largest creators and distributors of award-winning international programme brands in the world.

By October 2013, FremantleMedia had more shows in production than ever before, with 217 productions in the works across 117 territories. FremantleMedia introduced 15 new formats into the market over the year, including an innovative new talent show with Rai called *Masterpiece*, which is aimed at aspiring writers and looking for the next big name in literature. The show was an instant hit on social media with #Masterpiece trending on Twitter on the night of the first broadcast. *Family Harmony*, an Attraction Images format, sees members of the same family come together for the chance to be voted the most popular singing family in the country. Launched in early 2013, the format rolled out across four new markets over the year: Russia, Kazakhstan, the Ukraine and France. *Everybody Dance Now,* which was developed in co-operation with RTL Nederland, began its roll out around the world and was immediately recommissioned in its home market of the Netherlands.

FremantleMedia's entertainment formats continued to travel well in 2013. *Got Talent* was launched in Brazil, Kazakhstan and Moldova – bringing the format's total number of markets to a record-breaking 55 – unequalled by any other talent show in history. *The X Factor* debuted to positive reviews and strong ratings in Israel, Portugal, New Zealand, Nigeria, Serbia and Japan, while *The X Factor Kids* launched for the US Hispanic market. These launches brought the total number of markets in which *The X Factor* is produced to 45. Meanwhile, *Idols* also continued to launch in new markets, adding new versions to its portfolio in Bangladesh, China and Pakistan.

In the **US**, the 12th season of *American Idol* – co-owned by FremantleMedia North America (FMNA) and 19 Entertainment – was the country's highest-rated entertainment show in 2013, peaking with an audience of 20.3 million viewers. Season 12 attracted an average audience of 15.0 million viewers. For the target demographic of adults aged 18 to 49, *American Idol* achieved an average share of 13.0 per cent – twice as high as broadcaster Fox's prime time average.

Returning to US screens in summer 2013, season eight of *America's Got Talent* was the country's number one summer entertainment show, winning an average of 12.0 million viewers and a 10.9 per cent total audience share. *America's Got Talent* exceeded broadcaster NBC's prime time average by 68 per cent for all viewers.

Popular daytime show, *Family Feud* was the second highest rated game show in first-run syndication during 2013 among women aged 25 to 54, outperforming *Jeopardy* and *Who Wants To Be A Millionaire…?*. Airing its best performing series in over 20 years, the show scored an average household rating of 4.8 per cent to December 2013 – an increase of 9.1 per cent year-on-year and 65.5 per cent compared to the TV season 2011/12.

On air since 1972, *The Price Is Right* remained the highest rated daytime entertainment show in the US during 2013. An average audience of 5.0 million viewers in 2013 – 11.4 per cent of the total audience – put the show 62.9 per cent ahead of CBS' daytime average.

In **Germany**, the seventh season of *Das Supertalent* (Got Talent) won an average audience of 4.9 million viewers and a total audience share of 16.6 per cent. The show consistently ranked number one in its time slot winning an average share of 22.3 per cent of the key target demographic. *Deutschland sucht den Superstar* (Idols) won an average audience of 4.1 million viewers, representing an audience share of 18.7 per cent of viewers aged 14 to 59.

"FremantleMedia has made great strides in delivering on our strategy of investing in our content pipeline through organic growth and acquisitions and extending our global footprint. Our focus is on diversifying FremantleMedia's rich catalogue with content and creative talent that complements our existing portfolio, particularly in scripted."

CÉCILE FROT-COUTAZ,
CEO, FREMANTLEMEDIA

Meanwhile, the ninth series of *Bauer sucht Frau* (The Farmer Wants A Wife) drew an average audience of 6.4 million viewers, and a total audience share of 20.1 per cent.

On air since 1992, *Gute Zeiten, schlechte Zeiten* (Good Times, Bad Times) continued to rank as the highest rated daily drama series in Germany, with an average audience of 3.3 million viewers and a total audience share of 12.5 per cent. Watched by 17.9 per cent of viewers aged 14 to 59, *Gute Zeiten, schlechte Zeiten* consistently ranked number one in its time slot.

Event movies continued to prove popular in 2013. In March, ZDF's broadcast of the UFA Fiction production *Unsere Mütter, unsere Väter* (Generation

War) scored an average audience of 7.2 million viewers and a total audience share of 21.2 across its three parts.

Only six days after its release, UFA's epic historical movie, *Der Medicus* (The Physician) attracted more than 1.75 million cinema-goers in Germany before the new year, even pulling ahead of new release *The Hobbit* on New Year's Eve to top the German movie charts.

In the **UK**, the seventh season of *Britain's Got Talent* won an average audience of 10.9 million viewers and a 43.8 per cent total audience share, making it the UK's highest rated entertainment series and the highest rated talent show for 2013. With an average 50.5 per cent of viewers aged 16 to 34, *Britain's Got Talent* exceeded ITV1's prime time average by 170 per cent.

Returning for its tenth series in the autumn, *The X Factor* was 2013's highest rated entertainment series among young viewers (aged 16 to 34). With an average 47.3 per cent of the target audience tuning in, *The X Factor* surpassed ITV's prime time average by 153 per cent.

Airing its ninth and tenth series in 2013, *Celebrity Juice* continued to prove a success on ITV 2. With an average share of 23.2 per cent of the commercial target (viewers aged 16 to 34) *Celebrity Juice* consistently ranks number one in its time period across all channels, outperforming the five major UK broadcasters.

Take Me Out broadcast on ITV1 was the number one dating show in the UK in 2013. The fifth season of the show consistently ranked number one in its time slot for the commercial target audience (adults aged 16 to 34) with an average share of 32.6 per cent.

In **France**, *L'amour est dans le pré* (The Farmer Wants A Wife) continued to rank as the highest rated entertainment series on M6 in 2013, scoring an average audience of 5.9 million viewers (25.1 per cent) and an average 35.6 per cent of housewives under 50.

The ninth season of *Nouvelle Star* (Idols) won an average audience of 1.8 million viewers and a total audience share of 7.2 per cent, exceeding D8's prime time average by 140 per cent. Launched in October, season ten of the talent show scored an average audience of 1.4 million viewers and a total audience share of 6.0 per cent.

The fourth series of *The X Factor* in **Australia** was the best-performing yet, attracting an average audience of 1.6 million viewers – an increase of 2 per cent on series three and 36 per cent on series one. *The X Factor* was the highest rated singing competition in Australia, the third highest rated programme across all networks and the second highest rated show of the year for its broadcaster, Network 7.

Meanwhile, *Neighbours* gained an average share of 12.6 per cent of viewers aged 16 to 39, exceeding Eleven's prime time average by 148 per cent. Newly launched for 2013, drama series *Wentworth* proved a major success, with the series premiere ranking as the most watched show ever on Australian pay-TV, excluding sports. Winning an total average audience share of 4.3 per cent on SoHo, the show exceeded the broadcaster's average by 618 per cent.

In 2013, FremantleMedia Australia signed a multi-year deal with BBC Worldwide that will see FremantleMedia Australia produce general entertainment formats for the Australian market.

Elsewhere, the Dutch version of *The Farmer Wants A Wife* continued to prove popular, attracting an average total audience share of 41.3 per cent. Airing for the first time on RTL 4 in 2013, new talent show format *Everybody Dance Now* was watched by an average 1.6 million viewers (26.0 per cent of shoppers aged 20 to 49) and exceeding RTL 4's prime time average by 28 per cent. Newly launched in Israel for 2013, *The X Factor* won an average audience of 1.1 million viewers and a total audience share of 38.6 per cent to the end of 2013 – 19 per cent higher than Channel 2's prime time average. In the Middle East, *Arab Idol* became a cultural phenomenon, with winner Mohammed Assaf performing at the United Nations' offices in New York, where he was appointed a goodwill ambassador and regional youth ambassador for the United Nations' Relief and Works Agency (UNRWA).

Number of hours broadcast

Programmes	2013	2012
New	2,070	2,379
Returning	6,429	6,758
Total	8,499	9,137

Breakdown of hours broadcast by main markets

	2013	2012
USA	967	956
Germany	790	798
France	608	648
Italy	350	419
UK	280	453

Digital
In July 2013, FremantleMedia launched its Digital & Branded Entertainment division. The division will focus on creating valuable new intellectual properties, scaling up its network capabilities and attracting on and off air talent and brands while maintaining its success to date in second screen activity and on Youtube. It works with the company's 23 production offices around the globe to share best practices and innovation and to drive the company's digital strategy.

In September, FremantleMedia secured a strategic partnership with Divimove, the second largest multi-channel network (MCN) in Germany, taking a minority stake in the company. FremantleMedia will also work closely with BroadbandTV, the world's third largest MCN, in which RTL Group invested earlier in the year. Working with these MCNs gives FremantleMedia access to engaged and connected online audiences in various genres.

In December, FremantleMedia North America and Style Haul, the largest online network for fashion, beauty and lifestyle, announced a multi-series and multi-year development deal. The first series to go into production under the deal, *The Crew*, premiered on Youtube in January 2014.

FremantleMedia continued its Youtube success during 2013, launching 40 new channels and reaching 14 new countries – making a total of 141 Youtube channels across 32 countries. The company maintained its position as the most viewed television producer, network or movie studio worldwide, with 6.7 billion video views of FremantleMedia content in 2013.

FremantleMedia properties around the world attracted over 60 million Facebook 'Likes' and 15 million Twitter followers, and its brands continued to thrive in 2013. *The X Factor Australia* was the number one TV show Twitter account in the country and *The X Factor UK* had the biggest digital reach of any UK show with 7.5 million 'Likes' on Facebook and 4.4 million followers on Twitter.

Ludia continues to dominate the mobile and social games market with 3 million daily active users and 10 million monthly active users and growing. *Family Feud & Friends* and *Jurassic Park Builder* have been downloaded over 50 million times since launch and are consistently in the top grossing apps category. *Where's Waldo: The Fantastic Journey* was the number one application in 11 countries, while *Where's Waldo in Hollywood* was a Top Ten game in 22 countries.

Distribution
Following the strategic re-alignment, FremantleMedia's distribution arm, FremantleMedia International is responsible for global sales across linear television, digital and home entertainment platforms of finished content, format sales in non-production territories as well as acquiring and developing new programmes for the international market. In addition to the world-class FremantleMedia production families around the globe, FremantleMedia International works with the highest calibre creative talent, producers, channels, licensees and studios to create, finance and distribute the best content in the business.

The company closed a multi-year deal with You Ku, a Chinese digital portal with 200 million mobile users. The deal includes 202 hours of content in the first year from *The X Factor US*, *America's Got Talent*, *Project Runway* and dramas such as *Hit And Miss* and *The Crimson Petal And The White*.

Asia has become a booming market for the television sales business. In 2013 FremantleMedia International took advantage of this growth by selling over 1,200 hours of finished content to Asian broadcasters, including around 580 hours for Mediacorp's on-demand platform in Singapore. Earlier in the year, FremantleMedia International announced new format sales in the Asian marketplace, with deals across Cambodia, Singapore, the Philippines and Myanmar, including sales of the first ever international talent formats to Cambodia and Myanmar. The company also closed a new content deal with digital entertainment pioneer Young Hollywood for two of its long-form celebrity shows *Young Hollywood's Greatest...* and *Young Hollywood Evolution Of…* Having sparked broad international interest, these series have already been sold to 30 territories.

FremantleMedia's Kids & Family Entertainment division – a leading independent producer and distributor in the sector, with more than 15 titles in production globally – launched new episodes of its pre-school hit, *Tree Fu Tom*, on the BBC's pre-school channel CBeebies and had a successful first Christmas at retail with toys and ancillary products. The miniature superhero continues to captivate kids across over 75 territories, and toys and digital apps will continue to launch in many countries across the world in 2014. Using all-new production techniques, the comedy series *Strange Hill High*, led by Josh Weinstein (*The Simpsons*, *Futurama*), launched in the UK on CBBC. The show has become a comedy hit and has been seen by over 4 million viewers to date.

RTL NEDERLAND

Financial results

The Dutch TV advertising market[18] was estimated to be down by 3.0 per cent in 2013. RTL Nederland outperformed the market and could regain market shares. Total revenue at RTL Nederland increased by 5.6 per cent to €455 million (2012: €431 million), driven by higher TV advertising and digital distribution revenues. Accordingly, EBITA of RTL Nederland increased to €103 million (2012: €97 million).

	Year to December 2013 €m	Year to December 2012 €m	Per cent change
Revenue	**455**	431	+5.6
EBITA	**103**	97	+6.2

18 Spot and non-spot revenue

Audience ratings

RTL Nederland's family of channels achieved a combined prime-time audience share of 33.5 per cent in the main commercial target group of viewers aged 20 to 49, slightly up from 2012 (32.3 per cent). All channels experienced growth, or performed at the same level as last year. Consequently, RTL Nederland increased the large gap to its main commercial competitor, SBS Group (20.0 per cent), and was also again ahead of the public-service broadcasters (25.3 per cent).

RTL 4 — TV AUDIENCE SHARE

Source: SKO. Target: shoppers 20–49 (18–24h) 2009–2013 (%)

13	**19.9**
12	19.2
11	20.1
10	18.3
09	17.0

RTL Nederland's flagship channel, RTL 4, scored an audience share of 19.9 per cent in its main target group of shoppers aged 20 to 49 (2012: 19.2 per cent) and was again market leader by a large margin, ahead of Nederland 1 (13.1 per cent) and SBS 6 (8.1 per cent). With an audience share of 22.9 per cent among shoppers aged 20 to 49 in November 2013, the family channel scored its highest monthly viewer figures for the past 17 years.

With a peak audience of 3.0 million viewers, *The Voice Of Holland* was once again the most popular programme in the Netherlands, scoring an average audience share among shoppers aged 20 to 49 of 48.2 per cent. The show was followed by *The Voice Kids*, the *All You Need Is Love Christmas Special* and *Holland's Got Talent*.

RTL 4 launched a number of new programmes in 2013, many of which scored well, including the talk show *RTL Late Night*, which increased its audience from 582,000 viewers during the first month of broadcast to 807,000 two months later. Other new popular formats included *Geer & Goor: Effe Geen Cent Te Makken* (No Penny To Spend), *Weet Ik Veel* (How Do I Know), and *Wie Ben Ik?* (Who Am I?).

RTL 4's access prime time – featuring *RTL Boulevard*, *Goede Tijden, Slechte Tijden* (Good Times, Bad Times) and *RTL Nieuws* – delivered strong ratings once again, regularly attracting average audience shares of 26.5 per cent and up.

RTL 5 — **TV AUDIENCE SHARE**

Source: SKO. Target: 20–34 (18–24h) — 2009–2013 (%)

13	6.8
12	7.0
11	9.4
10	8.8
09	9.6

RTL 5 scored an audience share of 6.8 per cent in its key target group of viewers aged 20 to 34 (2012: 7.0 per cent). Dutch productions are the most popular shows on RTL 5, including *Expeditie Robinson*, which was the channel's most-watched show in 2013 with an audience share of 32.4 per cent on 21 November. Also popular were *Jokertje's Jawoord* (Jokertje's Wedding) and *Holland's Next Top Model*. The channel also launched a number of new programmes such as *Ik Heb Het Nog Nooit Gedaan* (I Didn't Do It Yet) and *Het Zal Me Een Rotzorg Zijn* (I Couldn't Care Less) – both of which address current topics, thus revealing a new side of RTL 5.

RTL 7 — **TV AUDIENCE SHARE**

Source: SKO. Target: men 20–49 (18–24h) — 2009–2013 (%)

13	7.8
12	7.2
11	7.8
10	7.1
09	6.7

The men's channel **RTL 7** achieved an average audience share of 7.8 per cent among males aged 20 to 49 (2012: 7.2 per cent) – on par with the record audience share of 2011. In 2013, the channel reached two new all-time monthly highs since its launch in 2005: July ending with an audience share of 9.7 per cent and December ending with 9.8 per cent. The most popular broadcast was the finale of the World Darts Championship on 1 January, which attracted 35.5 per cent of the target audience. Also popular were matches of the Uefa Europa League and talk show *Voetbal International*.

"2013 was the second best year in the history of RTL Nederland. This was an accomplishment we never could have predicted, since the advertising market was very weak at the beginning of the year."

BERT HABETS,
CEO, RTL NEDERLAND

RTL 8 **TV AUDIENCE SHARE**

Source: SKO. Target: women 20–49 (18–24h) 2009–2013 (%)

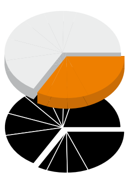
13	3.5
12	3.0
11	3.3
10	3.2
09	3.3

Women's channel **RTL 8** reported an audience share of 3.5 per cent among female viewers aged 20 to 49 in 2013 (2012: 3.0 per cent). The Sunday crime evening and the film theme weeks were very well accepted by viewers. The children's programming window on RTL 8 during daytime, RTL Telekids, increased its average audience share to 9.2 per cent in its target group of children aged 3 to 8 (2012: 8.2 per cent).

Digital pay channels **RTL Lounge** and **RTL Crime** reached 5.5 million and 5.6 million viewers respectively, among viewers aged 6 and above. RTL Lounge is the ninth most popular digital channel in its target group of female viewers aged 13 and above, with a reach of 2.6 million viewers in this demographic. The pay channel **RTL Telekids** ranks fourth among children aged 3 to 8 with a reach of 569,000 viewers. The cumulative reach amounted to 3.7 million among viewers aged 6 and above.

National audience breakdown

Source: SKO. Target: 20–49 (18–24h) 2013 (%)



RTL 4	**18.9**
RTL 5	**6.0**
RTL 7	**5.9**
RTL 8	**2.8**
Nederland 1	13.6
SBS 6	8.4
Nederland 3	8.1
Veronica	6.2
Net 5	5.5
Nederland 2	3.7
Others	20.9

Differences due to rounding

New media and diversification activities
In July, RTL Nederland acquired a 65 per cent stake in The Entertainment Group, the leading video-on-demand (VOD) company in the Netherlands, which operates the VOD service **Videoland**. The pay per view service is available on the Videoland platform and via TV providers such as KPN and Telfort. 'All-you-can-watch' subscriptions are available via TV providers and will be available on *Videoland.com* in 2014. Since the takeover, the number of unique visitors has more than doubled and KPN has secured more than 10,000 *Videoland Unlimited* subscribers in the first month.

In November, RTL Nederland, SBS and the Dutch public broadcaster announced the joint subscription service NL Ziet, which will provide viewers with access to the online video platforms of all three broadcasting companies: RTL XL, Kijk, and NPO Plus. NL Ziet is scheduled to launch in the first half of 2014.

RTL Nederland's online domain – including the general portal *RTL.nl*, the on-demand platform *RTLXL.nl*, the weather portal *Buienradar.nl*, and a variety of websites dedicated to popular formats – increased its average number of monthly visits by 21 per month, to 106.2 million (2012: 87.8 million). Mobile devices account for 49 per cent of visits (2012: 21 per cent).

The total number of video views on RTL Nederland's online domain grew by 20 per cent to 547 million in 2013. Including videos distributed via syndication partners such as Youtube, a total of 643 million videos were viewed. Video views via syndication partners have increased by 33 per cent.

Visits to the online video platform **RTL XL** grew by 20 per cent compared to 2012. Most popular were the episodes of the soap *Goede Tijden, Slechte Tijden*, clips from *RTL Nieuws*, *Voetbal International* and the talent show *The Voice Of Holland*. The mobile app for RTL XL generated 206 million video views, almost twice the 2012 total (104 million).

Research conducted by *Remotely.tv* reveals that RTL Nederland was the most discussed broadcaster on Twitter, achieving a 38 per cent share with 7.2 million tweets. The daily series *Goede Tijden, Slechte Tijden* was the most discussed programme in 2013, with over 1.6 million tweets. However, the most discussed broadcast of 2013 was *RTL 7 Darts: 2013 World Championships* which resulted in as many as 80,556 tweets.

Succesful digital formats were the *Weet Ik Veel* quiz app (downloaded more than one million times), *Goede Tijden, Slechte Tijden: Spring Levend* (downloaded 514,000 times) and the soccer show app *Koning Voetbal* (275,000 downloads and more than 4 million games played).

Buienradar was voted the most popular website of the year for the sixth time in a row in the 'Weather and Traffic' category. The updated version of the weather forecasting Buienradar app was downloaded almost 5 million times for smartphones and was the second most popular app of 2013. For tablets, the app was downloaded 1.35 million times.

2013 was a year of expansion for **RTL Ventures**. Launched at the end of 2010 as a consolidation of new business activities, this division has now become an established venture capital fund with six ventures. RTL Ventures spread its wings further in 2013 with an investment of 20.3 per cent in *Squla* (an online education platform) and by acquiring a 38.4 per cent share in the Dutch Learning Company, a provider of online courses including *Iedereen EHBO*.

In June, ***RTL Nieuws*** launched a new online concept: news is now published in non-stop updates. This so-called news wall offers consumers the opportunity to follow the news while it happens. In addition, all RTL news brands are brought together on one platform. Since the launch of the new *RTL Nieuws* website, visits increased by 85 per cent. In total, the new app has been downloaded 1.1 million times.

RTL BELGIUM

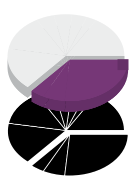
Financial results

The net TV advertising market in French-speaking Belgium was estimated to be down 1.7 per cent, with RTL Belgium broadly performing in line with the market. Total revenue of the profit centre decreased by 0.5 per cent to €209 million (2012: €210 million) mainly due to lower TV and radio advertising revenue. Total EBITA of RTL Belgium was slighty up to €46 million (2012: €45 million), thanks to continued cost control.

	Year to December 2013 €m	Year to December 2012 €m	Per cent change
Revenue	**209**	210	(0.5)
EBITA	**46**	45	+2.2

French-speaking Belgium audience breakdown

Source: Audimétrie.
Target: shoppers 18–54 (17–23h) 2013 (%)



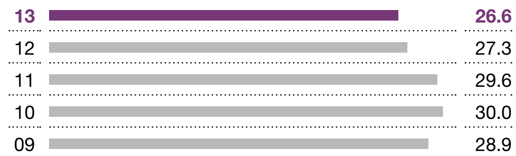
- **RTL-TVI** **26.6**
- **Club RTL** **6.0**
- **Plug RTL** **3.8**
- TF1 .... 16.6
- La Une 13.8
- AB 3 .... 5.0
- La Deux 4.9
- France 2 .... 4.3
- France 3 .... 2.7
- Others 16.3

Audience ratings

With a combined prime-time audience share of 36.4 per cent among shoppers aged 18 to 54 (2012: 36.3 per cent) the RTL family of TV channels maintained its large lead over the public broadcasters, at 17.6 percentage points (2012: 17.7 percentage points). Over the whole year, **RTL Belgium** achieved 87 of the top 100 programmes in French-speaking Belgium (2012: 76 out of 100).

RTL-TVI TV AUDIENCE SHARE

Source: Audimétrie. Target: shoppers 18–54 (17–23h) 2009–2013 (%)



RTL-TVI maintained its strong market-leadership position in French-speaking Belgium with an average prime-time audience share of 26.6 per cent in the target group of shoppers aged 18 to 54 (2012: 27.3 per cent), 10.0 percentage points ahead of the second highest rated channel, the French commercial broadcaster TF1, and 12.8 percentage points ahead of the Belgian public broadcaster La Une.

The most watched broadcast of the year was the movie *Rien à déclarer* on 14 March 2013, which scored a total audience share of 55.1 per cent. Also popular was the broadcast of the football qualifier between Belgium and Wales on 15 October which attracted a total audience share of 56.0 per cent.

RTL-TVI is the leading news source for French-speaking Belgians. The main news at 19:00 attracted an average 43.1 per cent of viewers every day.

In 2013, **Club RTL** strengthened its positioning as a male-oriented channel, increasing its average audience share in the target group (men aged 18 to 54) to 7.4 per cent (2012: 6.4 per cent). Football is one of the channel's flagship formats. The channel's

Club RTL TV AUDIENCE SHARE

Source: Audimétrie. Target: men 18–54 (17–23h) 2009–2013 (%)

most watched programme of the year was the qualifying game between Belgium and Macedonia in March 2013, attracting a total audience share of 40.2 per cent.

Plug RTL **TV AUDIENCE SHARE**
Source: Audimétrie. Target: 15–34 (17–23h) 2009–2013 (%)

13	4.5
12	3.8
11	3.4
10	3.8
09	4.8

Plug RTL, the youth and lifestyle channel that complements the Belgian TV family, reported a prime-time audience share among young viewers aged 15 to 34 of 4.5 per cent (2012: 3.8 per cent). The most popular programme was season ten of *Nouvelle Star* (Idols) which scored an average audience share of 11.5 per cent in the target group. Also popular were *Belle toute nue* (How To Look Good Naked) (9.7 per cent), *La France a un incroyable talent* (Got Talent) (7.0 per cent) and *Nouveau Look* (6.9 per cent).

According to the CIM audience surveys in 2013, **Bel RTL** remained the general-interest leader in French-speaking Belgium (winning 15.2 per cent of all listeners aged 12 and older, 2012: 16.0 per cent), while **Radio Contact** (audience share: 15.3 per cent, 2012: 15.1 per cent), was the leading music station and the number one French-language radio station.

Bel RTL's all-news morning show is the leading one in French-speaking Belgian radio. It creates synergies with RTL-TVI by sharing on-air personalities and carrying top TV shows over into the airwaves.

"Although 2013 was a particularly unstable year, RTL Belgium has turned in a solid performance by optimising its synergies."

PHILIPPE DELUSINNE,
CEO, RTL BELGIUM

New media and diversification activities
In 2013, the number of video views across RTL Belgium's websites increased to 103 million (2012: 76 million), driven by news content and major TV shows. In February, RTL Belgium agreed to syndicate its content to major news websites. The revamped *RTL.be* website quickly proved popular with the public, gaining the second position among news and services websites by December 2013, with more than 230,000 daily users.

March saw the launch of the Bel RTL mobile website and app for tablet and smartphone. Since the launch of Connect in September, RTL Belgium has been offering its viewers an extensive second screen experience for its main programmes. RTL Belgium further pioneered new TV consumption models with the app 'Club RTL Foot' which allows multi-cam viewing during home matches of Belgian football teams engaged in the European competitions, as well as other interactive features.

RTL RADIO (FRANCE)

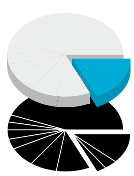
Financial results

In a net radio advertising market estimated to have remained flat in 2013, the French radio profit centre reported revenue of €175 million (2012: €180 million), while its EBITA decreased moderately to €29 million (2012: €30 million), sustained by cost reduction.

	Year to December 2013 €m	Year to December 2012 €m	Per cent change
Revenue	**175**	180	(2.8)
EBITA	**29**	30	(3.3)

National audience breakdown

Source: Médiamétrie. Target: 13+ 2013 (%)



General-interest radio networks	
RTL	**11.9**
France Inter	9.3
Europe 1	7.6
Music radio networks targeting adults	
RTL 2	**2.8**
Nostalgie	3.9
RFM	3.0
Chérie FM	2.7
Music radio networks targeting young listeners	
Fun Radio	**3.6**
NRJ	7.4
Skyrock	3.7
Other formats	44.1

Audience ratings

The French RTL Radio family maintained its audience leadership. With a combined average audience share of 18.3 per cent (2012: 18.3 per cent), the three radio stations RTL Radio, RTL 2 and Fun Radio continued to lead over their main commercial competitors – the radio families of NRJ (15.4 per cent, up 0.6 percentage points on 2012) and Lagardère (12.5 per cent, down 0.1 percentage point on 2012).

RTL Radio — AUDIENCE SHARE

Source: Médiamétrie. Target: 13+ 2009–2013 (%)

13	**11.9**
12	11.6
11	12.1
10	12.4
09	12.4

RTL Radio has been France's leading station since the start of the current measurement system. With an average audience share of 11.9 per cent (2012: 11.6 per cent), RTL Radio remained ahead of its closest competitor by 2.5 percentage points, and is the only French radio station with an audience share of more than 10 per cent. The flagship station delivered an average cumulated audience of 6.2 million daily listeners (2012: 6.25 million) whose loyalty increased significantly as the average daily time spent listening to the station's broadcasts increased to 147 minutes a day (2012: 141 minutes).

In 2013, RTL Radio's grid was mainly oriented towards audience increase in most of its major slots. The morning programme *RTL Matin*, presented by anchorman Laurent Bazin increased its audience by 2.6 per cent, gathering on average more than 1.8 million listeners for every 15 minutes the show was on air.

The service show *Ça peut vous arriver*, hosted by Julien Courbet, gathered an average 1.4 million listeners for every 15 minutes between 9:30 to 11:00 (2012: 1.23 million). In the afternoon, entertainment programmes hosted by Jacques Pradel and Flavie Flament attracted more than half a million listeners on average every 15 minutes, increasing by 9 and 8 per cent respectively on 2012.

Fun Radio AUDIENCE SHARE
Source: Médiamétrie. Target: housewives < 50 — 2009–2013 (%)

13	3.6
12	3.8
11	4.2
10	4.1
09	3.8

Fun Radio gathered 3.5 million listeners a day (2012: 3.7 million), confirming its status as the number three French music station. The station scored an average audience share of 3.6 per cent. The morning show *Bruno dans la Radio* increased its audience by more than 5 per cent, with an average 334,000 listeners for every 15 minute slot between 6:00 and 9:00. Accordingly, the show became the second most listened to music morning show in France for the first time. Set for the future of radio, the dancefloor station increased its digital online audience significantly during 2013, to 22 per cent of the station's total audience.

RTL 2 AUDIENCE SHARE
Source: Médiamétrie. Target: 13+ — 2009–2013 (%)

13	2.8
12	2.9
11	2.9
10	2.8
09	2.9

RTL 2 achieved an audience share of 2.8 per cent in 2013 (2012: 2.9 per cent) gathering 2.5 million listeners each day (2012: 2.6 million). Despite its focus on pop and rock music, the station strengthened its morning show, *Le grand Morning*, during 2013 with the arrival of the British host, Louise Ekland.

In the main commercial radio target group of listeners aged 25 to 49, Fun Radio and RTL 2 rank second and third musical stations in France respectively, delivering a combined audience share of 12.2 per cent (2012: 12.7 per cent).

New media and diversification activities
According to the latest Médiametrie study, *RTL.fr* reached 2.6 million unique visitors per month (2012: 2.8 million), improving its ranking to become one of the 20 most visited French news websites. Use of RTL Replay also increased in 2013. On average, the service registered 4.7 million downloaded podcasts per month – up 7 per cent year-on-year (2012: 4.4 million) – and more than doubled the number of videos watched on RTL Net websites to over 25 million (2012: 12 million).

Since April 2013, RTL Radio's programme can now be watched live 12 hours a day thanks to Social Radio. The feature enables social activity to be embedded to the live video from the station's social network pages, and allows users to post live comments through Facebook and Twitter.

In August 2013, RTL Net launched its seventh thematic website fully dedicated to football forecasts – *RTLProno.fr*. This fully responsive site works equally well on desktops, laptops, smartphones and tablets.

Funradio.fr registered 700,000 unique visitors per month during 2013 (2012: 750,000). In March, the website launched an ambitious customer loyalty programme – the Fun Radio VIP Club – which has already gathered 500,000 members.

Fun Radio is one of France's biggest social media hits, with 1.6 million fans on Facebook and 650,000 followers on Twitter. To celebrate this success the station launched a one-day Social Day event to encourage listeners to contribute to the station's broadcasts by including the #MoiBossDeFunRadio (#MeFunRadioBoss) hashtag in their social networks posts.

"In this new digital era and in a very competitive environment, RTL Radio in France continues to benefit from its intrinsic qualities. We are constantly adapting to and coping with new challenges, which often offer great opportunities."

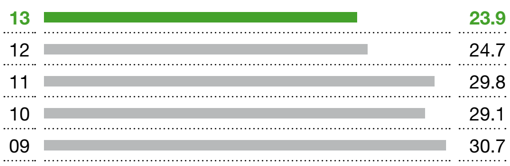
CHRISTOPHER BALDELLI,
CEO, RTL RADIO (FRANCE)

OTHER SEGMENTS

This segment comprises the fully consolidated businesses RTL Hungary, RTL Hrvatska (Croatia), RTL Group's Luxembourgish activities, the German radio business, UFA Sports, and the Spanish associate Atresmedia (formerly: Grupo Antena 3).

RTL Hungary: In 2013, the Hungarian net TV advertising market continued to decline, by an estimated 6.4 per cent. Total consolidated revenue of the profit centre was stable at € 100 million (2012: € 101 million) as revenue from the cable channels compensated for the decrease of RTL Klub's advertising sales. Total EBITA increased to € 15 million (2012: € 9 million), driven by lower costs at the main channel RTL Klub and higher profit contributions from the RTL cable channels.

RTL Klub **TV AUDIENCE SHARE**
Source: AGB Hungary. Target: 18–49 (prime time) 2009–2013 (%)



The combined prime-time audience share of the RTL-family of channels in the key demographic of 18 to 49-year-old viewers was up 0.7 percentage points to 38.0 per cent (2012: 37.3 per cent). RTL Klub's prime-time audience share decreased to 23.9 per cent among viewers aged 18 to 49 (2012: 24.7 per cent), though it remained the most watched channel in Hungary with both the country's total audience and among viewers aged 18 to 49. It also increased the gap to its closest competitor from 6.9 percentage points to 8.4 percentage points.

The talent show *X-Faktor* was once again the most watched Hungarian show of the year, attracting an average audience share of 40.1 per cent in the target group. The daily soap *Barátok közt* (Between Friends) was the most-watched daily show, closely followed by *Éjjel-Nappal Budapest*. The local adaption of *Berlin – Tag & Nacht* was watched by an average 28.3 per cent of viewers. RTL Klub was the most-watched channel in the target group on 342 out of 365 evenings, and aired 100 of the 100 most-watched TV programmes of the year – the first 19 of which were *X-Faktor* episodes.

With an average prime-time audience share of 5.5 per cent among viewers aged 18 to 49 (2012: 6.0 per cent), Cool was the country's most-watched cable channel – on a par with Film Plusz. Launched in October 2012, RTL II registered an average audience share of 1.3 per cent among viewers aged 18 to 49 (October to December 2012: 0.8 per cent). In

"Thanks to the full integration of our family of channels and the increase in its audience, we were able to deliver solid profitability and are perfectly positioned once the advertising market will grow again."

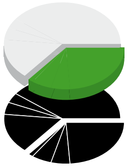
DIRK GERKENS,
CEO, RTL HUNGARY

March 2013, RTL II launched the celebrity dancing competition *Szombat Esti Láz* (Saturday Night Fever), which attracted an average of 10.3 per cent of viewers aged 18 to 49. Over 676,000 viewers tuned in for the final on 13 April, making it the most watched programme on Hungarian cable television since 1999 among all audiences.

RTL's entire family of cable channels in Hungary (Cool, RTL II, Film Plusz, Film Plusz Two, Prizma, Sorozat Plusz, Muszika TV) achieved a combined prime-time audience share of 14.1 per cent (2012: 12.6 per cent).

The channel's catch-up TV service, RTL Most, generated 53 million long-form video views in 2013 (2012: 50 million). RTL Hungary's online portfolio is the biggest local TV online video portfolio offering both its own and other content.

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



	2013 (%)
RTL Klub	**23.9**
Cool	**5.5**
Film Plusz	**5.5**
RTL II	**1.3**
TV 2	15.5
MTV 1	4.7
Viasat	4.0
Others	39.6

RTL Hrvatska: In a TV advertising market that fell by an estimated 2.8 per cent in 2013, RTL Hrvatska outperformed the market. Revenue increased to €33 million (2012: €31 million). EBITA increased significantly, reaching €0 million after a negative €9 million in 2012.

RTL Televizija **TV AUDIENCE SHARE**

Source: AGB Nielsen Media Research. Target: 18–49 (prime time)

2009–2013 (%)

13	20.6
12	21.9
11	23.3
10	27.3
09	28.0

RTL Hrvatska operates two free-to-air channels – RTL Televizija and RTL 2. The combined prime-time audience share of the two channels in the key commercial target group of viewers aged 18 to 49 was slightly up to 27.9 per cent (2012: 27.5 per cent). The profit centre's flagship channel, RTL Televizija, achieved an average prime-time audience share of 20.6 per cent among 18 to 49-year-old viewers, down from 21.9 per cent in 2012. This decrease was due to the increasing fragmentation in the television market.

The Turkish soap *Sulejman velicanstveni* (The Magnificent Century), broadcast daily on RTL Televizija in prime time, scored an average audience share of 25.0 per cent. The soap continued to be a phenomenon in Croatia, with press and public interest in the show remaining high.

Local productions remain a vital part of the flagship channel RTL Televizija. The fourth season of *Ljubav je na selu* (The Farmer Wants A Wife) had very strong results. The combination of the beautiful Croatian landscape and the search for love was watched by an average 28.7 per cent of the target audience. The second season of *Ruza Vjetrova* (Wind Rose) – RTL Hrvatska's local daily drama series – scored an average audience share of 20.6 per cent.

Tog se nitko nije sjetio (Pointless) was piloted in spring 2013. After an excellent start, the quiz – broadcast daily in access prime time – came back during autumn with a full season and scored an average audience share of 20.8 per cent. The prime-time sitcom *Kriza* (Crisis) about midlife crises is broadcast weekly and became a highly anticipated TV project in Croatia prior to launch. With an average audience share of 29 per cent this special dose of Bosnian humour was one of the top watched shows broadcast on all national broadcasters in Croatia.

RTL Televizija's main news programme, *RTL Danas* – broadcast daily at 18:30 – continued to draw large audiences, with an average share of 29.2 per cent among young viewers. During 2013, *RTL Danas* became the main point of reference when reporting about state-related events. On 1 July 2013, when Croatia entered the EU, RTL Televizija's news team prepared a six-hour special which was broadcast live from six Croatian cities. A team of 150 people, 30 cameras and coverage of 15 locations were involved in the production of *Dobrodosla Hrvatska* (Welcome Croatia), and the broadcast became the most watched programme on the subject, scoring an audience share of 20.6 per cent.

RTL 2 significantly increased its average prime-time audience share to 7.3 per cent in its key target group (2012: 5.6 per cent), thus compensating the decrease of audience share at RTL Televizija. Once more, RTL 2 was the country's most popular second-generation channel. US sitcoms such as *The Big Bang Theory*, *Two And A Half Men* and *How I Met Your Mother* proved particularly popular with Croatian viewers in prime time.

In August 2013, RTL Hrvatska was awarded a license for a new kids and family channel; the new free-TV channel, named RTL Kockica, was launched very successfully in January 2014. It is the first Croatian free TV channel for kids and families.

The profit centre's websites collectively generated 11 million online video views (2012: 15 million) during the reporting period. This number includes over 5 million video views through RTL Hrvatska's catch-up TV platform RTL Sada (RTL Now), making it the leading VOD platform in the region. The service provides the opportunity for non-linear viewing of formats broadcast on RTL Televizija and RTL 2, and, since May 2013, has offered web-only premium video content such as comedies and films.

Since May 2012, RTL Sada has been available on TV screens thanks to cooperation with the IPTV operator H1 Telekom. In November 2013 the service has been extended to cable TV and to another IPTV provider (Bnet-Vip) and is now available to more

"We outperformed the market in 2013 and gained advertising market share. RTL Hrvatska broke even after a negative 2012 and delivered a strong programme performance."

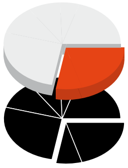
JOHANNES ZÜLL,
CEO, RTL HRVATSKA

than 60,000 households. In addition, RTL Sada's second screen application – which combines the catch up TV experience with social and interactive features – has been published in December 2013.

In 2013, RTL Hrvatska launched new releases of its news app for iOS and Android, as well as a brand new mobile portal *m.rtl.hr* (July). The apps have been downloaded more than 240,000 times to date, in a market estimated to contain 3 million smartphones.

National audience breakdown

Source: AGB Nielsen Media Research.
Target: 18–49 (prime time)



	2013 (%)
RTL Televizija	20.6
RTL 2	7.3
Nova	26.8
HTV 2	11.0
HTV 1	8.8
Doma	5.3
Others	20.2

In 2013, RTL was once again the leading media brand in the Grand Duchy of Luxembourg. Combining its TV, radio and internet activities, the **RTL Lëtzebuerg** media family achieved a daily reach of 83.2 per cent (2012: 82.4 per cent) of all Luxembourgers aged 12 and over.

RTL Radio Lëtzebuerg is the station listeners turn to for news and entertainment, with 199,200 tuning in each weekday (2012: 185,300 listeners). The TV channel RTL Télé Lëtzebuerg attracts 147,100 viewers each day (2012: 131,700 viewers per day), representing a prime-time audience share of 47.7 per cent of Luxembourgish viewers aged 12 and over, Monday to Friday, 19:00 to 20:00 (2012: 49.2 per cent).

In 2013, RTL Lëtzebuerg relaunched its online portal, *RTL.lu*, which continues to be the country's most visited website, with a daily reach of 30.1 per cent among Luxembourgers aged 12 and over (2012: 23.7 per cent). The site was also expanded to include sections featuring RTL Lëtzebuerg's popular TV and radio programmes.

IPTV channel RTL Plus introduced a second screen app that allows viewers to interact with the channel's TV and radio broadcasts as they happen, while a new internal organisation and publishing tool has made it easier than ever for RTL Radio Lëtzebuerg to exchange content between various types of media.

RTL Lëtzebuerg launched new versions of their iPhone and android apps, plus apps for Windows 8 and Windows Mobile. The portfolio of apps was enhanced with the launch of the classifieds platform Good-Deals, and dedicated apps for local football and basketball.

RTL Lëtzebuerg **DAILY REACH**

Source: TNS-ILRes Plurimedia 2013. Target: 12+

	2013 (%)
RTL Radio Lëtz.	57.5
RTL Télé Lëtz.*	41.4
RTL.lu	30.1
RTL Lëtzebuerg	**83.2**

*Including Den 2. RTL

"The RTL family of media in Luxembourg reaches 83.2 per cent of all Luxembourgers every day."

ALAIN BERWICK,
CEO, RTL LËTZEBUERG

In 2013, **BCE**, RTL Group's technical-services provider, was selected to install the new Euronews bureau in Hungary, following the successful integration of its Greek platform. BCE worked on both IT and broadcast integration, including sound editing and mixing studios, and telecom links from the new infrastructure to the Euronews head office in Lyon (France). As it does for the Greek language service, BCE also ensures 24/7 monitoring from its Network Operation Centre (NOC) in Luxembourg. In September, BCE was selected by the Ethiopian Radio and Television Agency to install its new infrastructure and digitise its archives. In collaboration with several partners, BCE will be in charge of integrating a newsroom, post-production editing rooms and a master control room, and equipping the company with a tapeless broadcasting platform. Additionally, BCE provided a full solution for RTL CBS Asia Entertainment Network including content management, playout and telecom lines. For the 15th Games of the Small States of Europe – held in Luxembourg in 2013 – BCE broadcast the event on the internet using 4G technology.

In 2013, **RTL Radio Deutschland**, RTL Group's German radio holding company, achieved an EBITA of €10 million (2012: €12 million). Following a record EBITA in 2012, this decrease is mainly due to the disposal of its stake in Radio Regenbogen and lower dividends from minority shareholdings for the fiscal year 2012, which were paid out in 2013.

Commercial radio in general decreased its average hourly reach year-on-year among listeners aged 10 and over, with RTL Radio Deutschland's portfolio losing 5.8 per cent of its listeners. Despite fragmentation and growing pressure caused by new digital services in the media market, several stations delivered an impressive performance.

In Berlin – Germany's most competitive German radio market, with more than 30 FM stations – 104.6 RTL remains the undisputed market leader. The station currently has an average 205,000 listeners per hour and an audience share of 11.3 per cent. With just under 1.3 million listeners, Antenne Bayern continues to lead the nationwide radio ranking ahead of all other single radio stations (audience share 10+: 26.9 per cent). In Northern Germany, Radio Hamburg reached a record high, with 230,000 listeners per average hour and an audience share of 24.2 per cent.

At the end of 2013 RTL Group's German radio portfolio comprised investments in 17 stations, most of which are minority holdings because of constraints in media ownership in Germany. In total, these stations reach more than 24 million listeners each day, and have a combined average audience of nearly 5 million listeners per hour.

In 2013, **UFA Sports** increased its revenue to €43 million (2012: €19 million), mainly due to the sale of the rights to the male Handball World Cup in January and the female World Cup in December.

"2013 was another excellent year for us. Radio managed to hold its ground in the competition with other media and new services. Our stations' attractiveness for our listeners and advertising customers remains unchanged. Radio is and continues to be a reliable partner in the media mix."

GERT ZIMMER,
CEO, RTL RADIO DEUTSCHLAND

Antena 3 — TV AUDIENCE SHARE

Source: TNS Sofres. Target: 16–54 2009–2013 (%)

13	13.4
12	12.5
11	11.7
10	11.8
09	15.4

Atresmedia in Spain

The Spanish TV advertising market declined by an estimated 6.2 per cent in 2013. Atresmedia outperformed the market, as the decline was offset by scope effects due to the additional advertising sales of the channels acquired from La Sexta.

The family of channels increased its audience share to 31.0 per cent in the target group of viewers aged 16 to 54 (2012: 28.0 per cent on constant scope), significantly closing the gap to its main competitor Mediaset Espana (31.4 per cent). The main channel, Antena 3, increased its audience share in the commercial target group of viewers aged 16 to 54 to 13.4 per cent (2012: 12.5 per cent), putting it 1.2 percentage points ahead of Telecinco to become Spain's leading channel. La Sexta also increased its audience share in the commercial target group to 6.6 per cent (2012: 5.8 per cent).

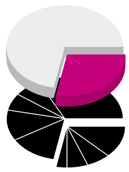
On a 100 per cent basis, consolidated revenue of Atresmedia was up to €830 million (2012: €741 million), while operating profit (EBITDA) increased to €80 million (2012: €39.5 million) and net profit increased to €46 million (2012: €32 million).

The profit share of RTL Group (EBITA contribution) was €10 million (2012: €6 million).

RTL Group now owns a stake of 19.8 per cent in Atresmedia[19].

National audience breakdown

Source: TNS Sofres. Target: 16–54 2013 (%)



Antena 3	13.4
Antena 3 Digital Channels	6.9
La Sexta	6.6
La Sexta Digital Channels	4.1
Telecinco	12.2
TVE 1	8.2
Cuatro	7.4
Forta	5.8
Others	35.4

Following the receipt of the building permit, the construction of new buildings next to the existing premises in **Luxembourg** was started. Once the vertical cadaster was signed on 19 December 2013, the Group has recognised a capital gain of €19 million following the contribution of some assets to a group company in which control ceased according to IFRS criteria.

19 After deduction of treasury shares held by the entity; RTL Group share as of 31 December 2013: 20.5%

Main portfolio changes

On 20 June 2013, RTL Group acquired 57.5 per cent of BroadbandTV Corp. (51 per cent on a fully diluted per share basis). BroadbandTV is currently the third largest multi-channel network on Youtube. The transaction accelerates RTL Group's expansion in the online video market, especially in the new generation of video channels, networks and aggregators distributed via internet and requiring the ability to aggregate, manage and monetise audiences across a large number of channels. The transaction qualified as a business combination since RTL Group gained the control of BroadbandTV.

On 22 July 2013, RTL Group acquired 65 per cent of The Entertainment Group ("TEG"), the number one transaction video-on-demand company in the Netherlands. TEG, under the brand name Videoland, complements RTL Nederland's offer of non-linear video viewing.

On 25 November 2013, RTL Group acquired 51 per cent in Miso Holding ApS. Miso Film is a leading Danish scripted independent production entity. Through this acquisition FremantleMedia strengthened both its scripted business and its presence in the Nordic region.

Share of results of associates

	Year to December 2013 €m	Year to December 2012 €m	Per cent change
– Atresmedia	82	(66)	n.a.
– RTL II	15	13	+15.4
Others	5	–	n.a.
Total	**102**	**(53)**	**n.a.**

The total contribution of the associated companies amounted to €102 million (2012: loss of €53 million). The main reason for this swing was the reversal of the impairment against the Group's carrying value of Atresmedia (formerly Grupo Antena 3), for an amount of €72 million (2012: impairment loss of €72 million).

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

Net interest expense amounted to €22 million (2012: expense of €10 million) and is primarily due to the interest linked to the debt that the Group took on during the year to improve its capital efficiency. Cash balances continued to generate low overall interest income, due to the interest rate environment.

The positive financial results other than interest have been generated following a decision by RTL Group's management to initiate a sale of the Group's non-monetary assets due to increased stock market valuations and also the new capital structure of the Group. These assets did not meet the cash and cash equivalent criteria under IAS 7. This sale process has now been completed and no additional treasury products that do not qualify for IAS 7 remain in the accounts of RTL Group. The gain generated on the disposal of these non-monetary investments amounted to €49 million.

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

This includes the costs related to the amortisation of fair value adjustments on acquisitions of subsidiaries and joint ventures (mainly Groupe M6).

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

A gain of €5 million from the sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree was recognised in 2013 (2012: loss of €9 million). This gain mainly relates to the disposal of the Group's remaining shareholding in Arvato Systems S4M GmbH to Arvato Systems GmbH, a Bertelsmann Group company.

Income tax expense

In 2013, the tax expense was €305 million (2012: expense of €277 million).

Following the PLP agreement (see heading "Related party transactions"), which was approved by the Board on 26 June 2008, a commission income of €52 million, representing 50 per cent of the tax benefit generated at the level of Bertelsmann, has been recorded in tax for the year (2012: €69 million).

Profit for the year attributable to RTL Group shareholders

The profit for the year attributable to RTL Group shareholders was €870 million (2012: €597 million). This increase of 45.7 per cent is mainly the result of higher EBITA and the following positive one-off effects: a reversal of a 2012 impairment, totalling €72 million, on RTL Group's shareholding in the Spanish broadcasting company Atresmedia (formerly Grupo Antena 3), as announced in the Group's half-year results on 22 August 2013; and the gain from disposal of non-monetary investments amounting to €49 million.

Earnings per share

Reported earnings per share, based upon 153,618,853 shares, was €5.67 (2012: €3.88 per share).

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 0.8 per cent (2012: 0.8 per cent) of RTL Group's shares.

Related party transactions

Financing

Deposits Bertelsmann SE & Co. KGaA

With the view to investing its cash surplus, RTL Group SA entered in 2006 with Bertelsmann SE & Co. KGaA (previously 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 six month basis, EURIBOR plus 10 basis points;
- Bertelsmann SE & Co. KGaA grants to RTL Group as security for all payments due by Bertelsmann SE & Co. KGaA 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 SE & Co. KGaA to CLT-UFA SA, a subsidiary of RTL Group, in connection with the accounts receivable related to PLP and Compensation Agreements as defined below.

On 7 March 2013, the deposit was reimbursed to RTL Group SA (at 31 December 2012, the amount – principal deposited amounts to €51 million on an overnight basis and €300 million on a five-month basis). The interest income for the period amounts to €0.2 million (2012: €2.5 million).

On 22 December 2011, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement related to the deposit of surplus cash by RTL Group Deutschland GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group Deutschland GmbH its aggregate current partnership interest in Gruner + Jahr AG & Co. KG as well as all additional partnership interests in Gruner + Jahr it may create or acquire. On 7 March 2013 the deposit was reimbursed to RTL Group Deutschland GmbH (at 31 December 2012, the four-month deposit amounted to €75 million). The interest income for the period is insignificant (2012: €0.5 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 2013, the balance of the cash pooling accounts receivable and payable amounts to € nil million (2012: € nil million). The interest income/expense for the year is below €1 million (2012: below €1 million).

Loans from Bertelsmann SE & Co. KGaA

On 7 March 2013, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a term loan facility in the amount of €500 million, and a revolving and swingline facility in the amount of up to €1 billion. The main terms of these facilities are:

- Term loan facility of €500 million until 7 March 2023 bearing interest at 2.713 per cent per annum; RTL Group S.A. has the right to early repay the loan subject to break costs. At 31 December 2013, the term loan balance amounts to €500 million;
- Revolving loans bear interest at the applicable EURIBOR plus a margin of 0.60 per cent per annum, and swingline loans bear interest at EONIA plus a margin of 0.60 per cent per annum. A commitment fee of 35 per cent of the applicable margin is payable where, for purposes of calculation of the payable commitment fee, the available commitment under the revolving and swingline facilities will be reduced by €200 million. At 31 December 2013, the total of revolving and swingline loan amounts to € nil million.

The interest expense for the period amounts to €12 million. The commitment fee charge for the period amounts to €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 SE & Co. KGaA.

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 SE & Co. KGaA 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 SE & Co. KGaA 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.

On 15 May 2013, the Board of Directors of RTL Group agreed to the amendment of the Compensation Agreement in light of the consumption of the trade tax and corporate tax losses at the level of Bertelsmann SE and Co. KGaA and of the expected level of indebtness of RTL Group in the future.

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 SE & Co. KGaA 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 2013, the balance payable to BCH amounts to €481 million (2012: €191 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €390 million (2012: €122 million).

For the year ended 31 December 2013, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €142 million (2012: €140 million). The Commission amounts to €52 million (2012: €69 million).

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of €5 million (2012: €7 million).

Others

In September 2013, RTL Group disposed of the investment held in the associate Arvato Systems S4M GmbH to a 100 per cent affiliate of Bertelsmann SE and Co. KGaA.

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.

Several subsidiaries of the Group are being sued by smaller broadcasters in Germany seeking disclosure of information in order to substantiate a possible claim for damages. The proceedings succeed the imposition of a fine in 2007 by the German Federal Cartel Office for the abuse of market dominance with regard to discount scheme agreements ("share deals") IP Deutschland GmbH and SevenOne Media GmbH granted to media agencies. The German Federal Cartel Office argued that these discounts would foreclose the advertising market for small broadcasters. IP Deutschland GmbH, RTL Television GmbH, VOX Television GmbH, RTL Disney Fernsehen GmbH & Co. KG and n-tv Nachrichten GmbH are being sued in this respect by RTL 2 Fernsehen GmbH & Co. KG and El Cartel Media GmbH & Co. KG before the regional court of Düsseldorf, Germany. MTV Networks Germany GmbH as well as TeleMünchen-TV GmbH initiated similar proceedings before the regional court in Munich. TeleMünchen-TV GmbH was unsuccessful in the first and second instance, the judgement being now final and non-appealable. MTV Networks Germany GmbH withdrew its lawsuit in September 2013.

At the end of 2012, RTL settled two proceedings with the German Federal Cartel Office (FCO) in accordance with section 32b of the German Act Against Restraints of Competition. Pursuant to a decision of the FCO regarding the second proceeding, Pro7Sat1 and RTL Television GmbH, RTL 2 Fernsehen GmbH & Co. KG and RTL Disney Fernsehen GmbH & Co. KG committed to broadcast their main channels in Standard Definition (SD) quality unencrypted via Cable, Satellite and IPTV for 10 years. Encryption of High Definition (HD) channels on all distribution channels remains possible and is not affected by the decision. This settlement decision of the FCO, however, was appealed by Kabel Deutschland (KDG) before the Court of Appeal in Düsseldorf on 25 January 2013. KDG had argued in the FCO proceedings (to which it was a party) that the commitments accepted by the FCO do not address the alleged anticompetitive practices in relation to the HD channels but rather implement new anticompetitive agreements for SD broadcasting, and that they impose the obligation of an inefficient SD/HD-Simulcast and interfere with the entrepreneurial freedom of network operators. These objections were dismissed by the FCO in the commitments decision. If the appeal of KDG were successful, the Court of Appeal would remand the proceeding to the FCO.

Brandi Cochran was employed as a model on the television series *The Price Is Right* from July 2002 until February 2010 and is claiming wrongful termination and other allegations due to her gender and pregnancy. Her claim was brought against FremantleMedia North America ("FMNA"). The Court entered judgement in January 2013 and awarded her damages in the amount of $8,536,384 (compensatory damages of $766,944 and punitive damages of $7,769,440; subject to interest at the rate of 10% per annum until paid) plus attorney's fees. FMNA has appealed the verdict. FMNA filed post-trial motions for (i) a new trial and (ii) judgement notwithstanding the verdict ("JNOV"). In March 2013, the motion for a new trial was granted (and the verdict was vacated), but the motion for JNOV was denied. FMNA has filed an appeal on the denial of the motion for JNOV, while Brandi Cochran has appealed the granting of a new trial. A decision on both appeals is expected in late 2014 or early 2015.

Principal risks and uncertainties

Principal risks and uncertainties are disclosed in note 3 to the consolidated financial statements for the financial risks (pages 165 to 174) and in the section "Corporate Governance" on the *RTLGroup.com* website for the external and market risks.

Corporate governance statement

The RTL Group Board of Directors is committed to high standards of corporate governance. RTL Group has applied the principles of good governance for years, even before The Ten Principles of Corporate Governance were implemented by the Luxembourg Stock Exchange – principles that RTL Group is in line with and submitted to.

More information on this topic can be found in the "About us" section of the Company's website (*RTLGroup.com*). It contains RTL Group's corporate governance charter, and regularly updated information, such as the latest version of the Company's governance documents (articles of incorporation, statutory accounts, minutes of shareholders' meetings), and information on the composition and mission of the RTL Group Board and its Committees. The "Investors" section also contains the financial calendar and other information that may be of interest to shareholders.

Shareholders

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

As at December 2013, Bertelsmann held 75.1 per cent of RTL Group shares, and 24.1 per cent were publicly traded. The remaining 0.8 per cent were held collectively as treasury stock by RTL Group and one of its subsidiaries.

General Meetings of Shareholders will be held at the registered office or any other place in Luxembourg indicated in the convening notice. A General Meeting of Shareholders must be convened upon request of one or more shareholders who together represent at least one tenth of the Company's capital, and the Annual General Meeting of Shareholders is held on the third Wednesday of April at 15:00. If this day is a public holiday, the meeting will be held on the next business day at the same time.

Resolutions will be adopted by the simple majority of valid votes, excluding abstentions. Any resolution amending the Articles of Incorporation will be adopted by a majority of two thirds of the votes of all the shares present or represented.

The Annual General Meeting will examine the reports of the Board of Directors and the auditor and, if thought fit, will approve the annual accounts. The meeting will also determine the allocation of profit, and decide on the discharge of the directors and the auditor from any duties.

Board and management

Board of Directors

On 31 December 2013 the Board of RTL Group had eleven members: three executive directors, and eight non-executive directors. Judith Hartmann – elected as non-executive director at the General Meeting of Shareholders on 17 April 2013 – was appointed for two years. The other executive and non-executive directors elected at the General Meeting of Shareholders on 18 April 2012 were appointed for three years. The biographical details of the directors are set out on pages 92 to 96. Three of the non-executive directors – Jacques Santer, James Singh and Martin Taylor – are independent of management and other outside interests that might interfere with their independent judgement.

Martin Taylor was appointed under the criteria of independence of the London Stock Exchange, before RTL Group adopted The Ten Principles of the Luxembourg Stock Exchange, though at the time of his last reappointment he met the criteria of the latter. Jacques Santer and James Singh are independent directors, and both meet the current criteria of independence of The Ten Principles of the Luxembourg Stock Exchange.

The Board of Directors has to review, with expert help if requested, that any transaction between RTL Group or any of its subsidiaries on the one hand and any of the shareholders or any of their respective subsidiaries on the other hand is on arm's length terms.

The responsibility for day-to-day management of the Company is delegated to the Chief Executive Officers ("CEOs"). The Board has a number of responsibilities, which include approving the annual Group's budget, overseeing significant acquisitions and disposals, and managing the Group's financial statements. The Board of Directors met six times in 2013 physically or via telephone conference – with an average attendance rate of 90.5 per cent – and adopted some decisions by circular resolution. An evaluation process of the Board of Directors' activities – and the activities of its committees – was carried out in 2008 and 2011. A new evaluation process exercise was launched in early 2014. The findings will be discussed by the Board.

The Executive Committee updates the Board on the group's activities and financial situation. At each meeting, representatives of the Executive Committee brief the Board on ongoing matters, and on possible upcoming investment or divestment decisions.

In 2013, a total of €0.6 million (2012: €0.5 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.

Appropriate measures were taken by the Company to ensure compliance with the provisions of the Luxembourg law on market abuse, and with the Circulars of the Commission de Surveillance du Secteur Financier (CSSF) concerning the application of this legislation.

The following Board Committees are established:

Nomination and Compensation Committee

The Nomination and Compensation Committee comprises three non-executive directors, one of whom is an independent director (who also chairs the meetings), and meets at least twice a year. The Nomination and Compensation Committee met three times in 2013 physically or via telephone conference, with an average attendance rate of 100 per cent.

The Nomination and Compensation Committee consults with the CEOs 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 four times a year.

The Committee's plenary meetings are attended by the CEOs, the Chief Financial Officer ("CFO"), the Head of Internal Audit, the external auditors and other senior Group finance representatives. The Audit Committee met five times in 2013 physically or via telephone conference, with an average attendance rate of 95 per cent.

The Committee reviews the 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, who is an independent director.

CEOs

Responsibility for day-to-day management of the company rests with the CEOs, who – on a regular basis and upon request of the Board – inform the Board of Directors about the status and development of the Company.

The CEOs are responsible for proposing the annual budget, to be approved by the Board of Directors. They are also responsible for determining the ordinary course of the business.

Executive Committee

On 31 December 2013, the Executive Committee comprises the three executive directors, i.e. the two CEOs and the CFO. The Executive Vice President Regional Operations & Business Development CEE and Asia is invited to attend the meetings on a permanent basis. The Executive Committee is vested with internal management authority. Biographical details of the members of the Executive Committee can be found on page 97.

External auditor

In accordance with the Luxembourg law on commercial companies, the Company's annual and consolidated accounts are certified by an external auditor, appointed at the Annual General Meeting of Shareholders. On 17 April 2013, the shareholders appointed Pricewaterhouse Coopers, société coopérative (PwC) for a year. PwC's mandate will expire at the Annual General Meeting on 16 April 2014.

Dealing in shares

The Company's shares are listed on Euronext Brussels, and on the Frankfurt and Luxembourg Stock Exchanges. Applicable Belgian, German and Luxembourg insider dealing and market manipulation laws prevent anyone with material non-public information about a company from dealing in its shares and from committing market manipulations.

A detailed Dealing Code contains restrictions on dealings by directors and certain employees of RTL Group and its subsidiaries, or associated companies.

Restrictions apply to:

- Members of the Board of Directors;
- All employees of RTL Group SA, and directors and employees of any subsidiary or affiliated company of RTL Group who, because of their position or activities, may have access to unpublished price-sensitive information.

Internal controls over financial reporting

Internal controls over financial reporting aim to provide reasonable assurance on the reliability of external and internal financial reporting, and their conformity with the applicable laws and regulations. They help to ensure that financial reporting presents a true and fair picture of the Group's net assets, financial position and operational results.

Tone at the top

Basic guidelines for RTL Group's daily activities and decision-making processes are governed by its Code of Conduct, which requires that financial reporting is prepared on the basis of integrity and transparency. The Group has a training programme in place to ensure that new starters across RTL Group's operations are fully aware of the Code.

Standards and rules

The rules governing the Group's financial reporting environment and critical accounting policies are set out in the Group's Financial Accounting Manual (FAM). The FAM, which is regularly updated, is circulated to the members of the Group's finance community, and published on RTL Group's intranet. Standards of a minimum control framework for key accounting processes at the level of RTL Group's fully consolidated reporting units are formalised in a set of expected key controls. RTL Group's centralised treasury and corporate finance activities are governed by dedicated policies and procedures. Hedging of exposure in non-Euro currencies is governed by a strict policy. All internal and external financial reporting processes are organised through a centrally managed reporting calendar.

Systems and related controls

Locally used ("ERP", treasury applications) systems are largely centrally monitored via common system platforms to ensure a consistent set-up of system-embedded controls. Segregation of duties is regularly reviewed by the Corporate Centre using dedicated software for all reporting units whose ERP is centrally maintained. Internal and external financial reporting is up-streamed by a centrally managed integrated finance system – from budgeting and trend year analysis, monthly internal management reporting, and forecasting of financial and operational KPIs, to consolidation and external financial reporting, and finally risk management reporting (see section "How we manage risks"). Specific system-embedded controls support the consolidation process, including the reconciliation of intercompany transactions. IT General Controls ("ITGCs") are regularly assessed by external experts or by internal audit. For the RTL Group central applications ("Referenced Applications") and their related IT infrastructure, controls objectives are defined. The objectives and the effectiveness of these controls are subject to an annual SOC1 ISAE3402 third party assurance report. The Group's consolidation scope is constantly updated, both at the level of financial interests captured in the consolidation system, and at the level of legal information through a dedicated legal scope system.

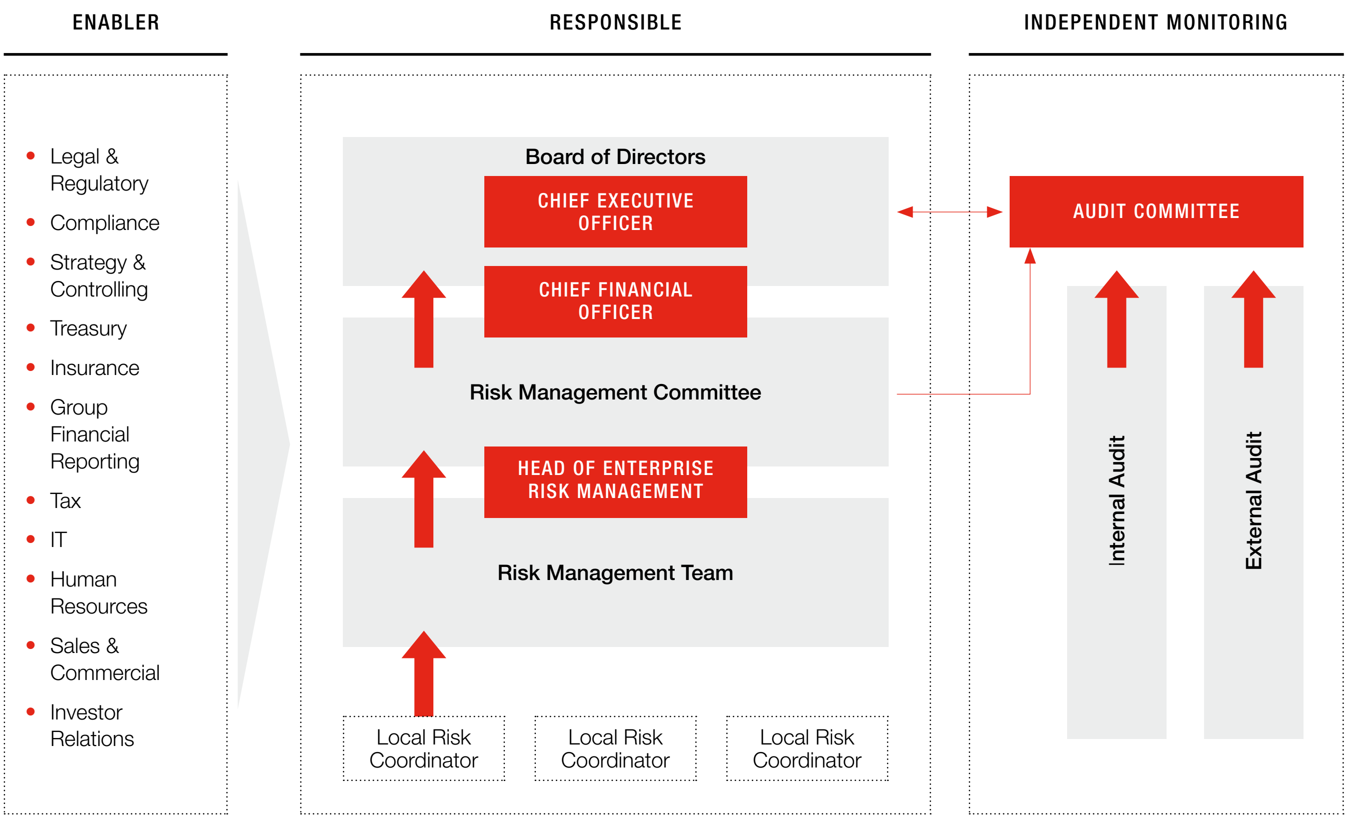
Analytics and reporting

All internal and external local financial and consolidated reporting is systematically reviewed by local finance staff or by finance teams within the Corporate Centre. Typical analyses include comparisons to previous year, budget and forecast, financial and operational KPIs, flows of key captions on the income statement, statement of the financial position, changes in equity, and cash flow statement. Regular communication between RTL Group's operations and the Corporate Centre's finance department ensures any issue that could affect the Group's financial reporting is immediately flagged and resolved. Quarterly reporting to the financial market is reviewed by the Audit Committee and approved by the Board of Directors.

Transparency

Business unit-level finance committees ensure any issues that could significantly affect the financial statements are quickly brought to the attention of management. RTL Group's incident reporting policy requires business units to immediately report fraud incidents to the Group. Identified control weaknesses that could impact the reliability of financial reporting – reported by either external or internal audit – are brought to the attention of management and the Audit Committee, and are part of a follow-up process. Each year, the business units self-assess the maturity level of their local internal controls over financial reporting. Results of this self-assessment are reported to the Audit Committee. At each meeting the Audit Committee is updated on the key accounting, tax and legal issues within the Group.

The Corporate Centre constantly promotes the importance of soundly designed internal controls – not only over financial reporting, but also for operational processes – through dedicated workshops with RTL Group's business units, and the work of the Internal Audit department.



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 exposed to legal risks, such as litigation by aggrieved individuals or organisations, and media businesses are more exposed than most to economic cycles – advertising is usually one of the first casualties in an economic downturn. RTL Group's international presence exposes it to further risks, such as adverse currency movements and debtors' default.

The Board of Directors maintains responsibility for ensuring RTL Group maintains a sound system of internal controls, including financial, operational and compliance risks.

RTL Group defines its risk management as a continuous process at Business Unit and Group level to prevent, protect, mitigate and leverage risks in light of execution of RTL Group's mission and strategic objectives. RTL Group's risk management has been designed to be fully aligned with International Risk Management Standards (e.g. COSO framework) and Bertelsmann SE & CO. KGaA's risk management practices. RTL Group has robust risk management processes in place, designed to ensure that risks are identified, monitored and controlled. RTL Group's risk management system is based on a specific policy and a clear set of procedures. Policies and procedures are reviewed on a regular basis by the Internal Audit Department and/or external consulting companies. Risk management and risk reporting are coordinated by the Head of Enterprise Risk Management (ERM), and reporting is then reviewed by the Internal Audit Department.

RTL Group's risk management process intends to meet the following three main objectives:

- "Embedded culture": Promote and embed a common risk management culture in the daily work of RTL Group's employees;
- "Consistent policy": Develop consistent risk policies on key matters to be tailored and implemented at Business Unit level with consideration of local challenges and environment;
- "Harmonised response": Ensure harmonised risk management prevention, detection and mitigation measures across RTL Group and its Business Units vs. key risks, as well as a continuous related monitoring and improvement programme.

The risk management organisation is the combination of structures and relationships (see diagram below) which enables a proper risk governance environment. RTL Group's risk management governance model has a strong vertical component descending from the Board, Executive, Audit and

Risk Management[20] Committees, through the Executive responsible (CEO, CFO and Head of ERM) and down to all the levels of the dedicated risk management functions, including Group local entities. This backbone is enabled by related control functions carried out by the Legal & Regulatory, Compliance, Strategy & Controlling, Treasury, Insurance, Group Financial Reporting, Tax, IT, Human Resources, Sales & Commercial and Investor Relations departments. Besides, an independent monitoring is carried out by Internal Audit and External Audit.

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

- Effectiveness and efficiency of operations, and the optimal use of the Group's resources
- Integrity and reliability of financial and operational information
- Reliability of financial reporting
- Proper identification, assessment, mitigation and reporting of material risks
- Compliance with applicable laws, regulations, standards and contracts

Definition of risk

RTL Group defines a risk as the danger of a negative development that could endanger the solvency or existence of a business unit, or have a negative impact on the Group's income statement.

Risk reporting framework

We have developed a framework for the reporting of risks, 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 include a description of the risk, an indication of the potential financial impact, and steps taken to mitigate the risk. These steps are performed throughout RTL Group, consolidated by the Head of Enterprise Risk Management, reviewed by the Internal Audit Department, and ultimately summarized in a dedicated risk management report. Results are presented to the Audit Committee.
- Regular and consistent reporting: RTL Group's system of internal controls ensures that risks are addressed, reported and mitigated when they arise. All significant risks are comprehensively assessed within the risk reporting framework, and reported to RTL Group management on a bi-annual basis. This ensures that necessary actions are undertaken to manage, mitigate or offset risks within the Group. The risks are reported in a common reporting tool to ensure consistency in scope and approach.
- Bottom-up approach: RTL Group assesses risks where they arise – in its operations. All business units have to assess themselves according to the two parts of the Risk Management Report:
  - Part A: Risk assessment and quantification of residual risks if applicable
  - Part B: Self-assessment on internal controls in place
- Consolidated Group matrix: the enterprise risk management team aggregates a comprehensive view of significant risks for the Group by consolidating local risk assessments. A Risk Management Committee prepares and reviews this consolidated Group risk matrix. The committee also:
  - Advises on the control and reporting process for any major risks, and recommends mitigation strategies to the Group CFO
  - Monitors follow-up of risks and ensures mitigation measures have been taken
  - Increases risk awareness within the Group
  - Identifies potential optimisation opportunities in processes
- Audit approach: both the process of local risk assessments and the consolidated Group risk matrices are regularly reviewed by Internal Audit.

Going forward

RTL Group's risk management framework is constantly challenged – at both operations and Group level – through the Risk Management Committee, to ensure it reflects the risk profile of the Group at all times.

To ensure RTL Group's Enterprise Risk Management process and reporting requirements are consistently implemented throughout the Group, we hold regular workshops to update staff and to introduce new tools available to assess risk.

20 The Risk Management Committee is composed of the following permanent members :
- RTL Group Chief Financial Officer and Head of the Corporate Centre
- RTL Group Executive Vice President Strategy & Controlling
- RTL Group Deputy CFO and Executive Vice President Finance
- RTL Group Senior Vice President Treasury and Enterprise Risk Management
- RTL Group Senior Vice President Audit and Compliance
- RTL Group General Counsel
- Media Assurances' Chief Executive Officer
- Additional guests may be invited to participate in Risk Management Committee meetings as subject matter experts based on topics to be addressed.

Profit appropriation (RTL Group SA)[21]

The statutory accounts of RTL Group SA show a profit for the financial year 2013 of €1,501,401,563 (2012: €1,854,247,717). Taking into account the share premium of €4,691,802,190 (2012: €4,691,802,190), the profit brought forward of €230,798,050 (2012: € nil) and the profit for the financial year of €1,501,401,563 (2012: €1,854,247,717), the amount available for distribution is €6,037,466,168 (2012: €4,922,600,240), net of an interim dividend of €386,535,635 (€2.50 per share) as decided by the Board of Directors of RTL Group SA on 21 August 2013 and paid on 5 September 2013 (2012: €1,623,449,667 (€10.50 per share)).

Luxembourg Law on Takeover Bids

The following disclosures are made in accordance with article 11 of the Luxembourg Law on Takeover Bids of 19 May 2006.

a) Share capital structure

RTL Group SA has issued one class of shares which is admitted to trading on the Frankfurt Stock Exchange, Euronext Brussels and the Luxembourg Stock Exchange. No other securities have been issued. The issued share capital as at 31 December 2013 amounts to €191,900,551 represented by 154,787,554 shares with no par value, each fully paid-up.

b) Transfer restrictions

At the date of this report, all RTL Group SA shares are freely transferable but shall be subject to the provisions of the applicable Belgian and Luxembourg insider dealing and market manipulation laws, which prevent anyone who has material non-public information about a company from dealing in its shares and from committing market manipulations. A detailed Dealing in Shares Code contains restrictions on dealings by directors and certain employees of RTL Group SA and its subsidiaries.

c) Major shareholding

The shareholding structure of RTL Group SA as at 31 December 2013 is as follows: Bertelsmann Capital Holding GmbH held 75.1 per cent, 24.1 per cent were publicly traded, and the remaining 0.8 per cent were held collectively as treasury stock by RTL Group SA and one of its subsidiaries.

d) Special control rights

All the issued and outstanding shares of RTL Group SA have equal voting rights and there are no special control rights attached to.

e) Control system in employee share scheme

RTL Group SA's Board of Directors is not aware of any issue regarding section e) of article 11 of the Luxembourg Law on Takeover Bids of 19 May 2006.

f) Voting rights

Each share issued and outstanding in RTL Group SA represents one vote. The Articles of Association do not provide for any voting restrictions. In accordance with the Articles of Association, a record date for the admission to a general meeting is set and certificates for the shareholdings and proxies shall be received by RTL Group SA the 14th day before the relevant at 24 hours (Luxembourg time). Additional provisions may apply under Luxembourg law.

g) Shareholders' agreement with transfer restrictions

RTL Group SA's Board of Directors has no information about any agreements between shareholders which may result in restrictions on the transfer of securities or voting rights.

h) Appointment of Board members, amendments of articles of association

The appointment and replacement of Board members and the amendments of the Articles of Association are governed by Luxembourg Law and the Articles of Association. The Articles of Association are published under the 'About Us' Corporate Governance Section on *RTLGroup.com*.

i) Powers of the Board of Directors

The Board of Directors is vested with the broadest powers to manage the business of RTL Group SA. It may take all acts of administration and of disposal in the interest of RTL Group SA. The Board of Directors has set up several committees whose members are Directors. The responsibilities and the functionalities of Board of Directors and its committees are described in the Articles of Association and the Corporate Governance Charter, published under the 'About Us' Corporate Governance Section on *RTLGroup.com*. The Board of Directors is not entitled to buy back treasury shares.

j) Significant agreements or essential business contracts

The Board of Directors is not aware of any significant agreements to which RTL Group SA is party and which take effect, alter or terminate upon a change of control of RTL Group SA following a takeover bid.

k) Agreements with Directors and employees

The Executive Committee members are entitled to contractual severance payments in case of dismissal, with the exception of dismissal for serious reasons.

21 Amounts in Euro except where stated

Subsequent events

On 7 February 2014, Fox Entertainment announced the cancellation of the programme *X Factor USA*, a FremantleMedia production.

On 18 February 2014, FremantleMedia announced the launch of a new venture with Vice Media to create a multi-channel food platform for a millennial audience. The deal sees both companies investing in the venture, and together they will develop and produce digital content for the Vice food vertical, which FremantleMedia will take to TV around the world. It allows FremantleMedia to extend its production expertise in the digital space, specifically to the Vice audience of young, influential and engaged millennials.

On 19 February 2014, Atresmedia announced that it had entered into a partial novation of the Integration Agreement executed on 14 December 2011 with the company Gestora de Inversiones Audiovisuales La Sexta SA and its shareholders, by virtue of which the terms and conditions governing the integration of this latter within the Atresmedia Group through a takeover merger were agreed. By virtue of this novation, Atresmedia Corporación has agreed with Gamp Audiovisual SA and Imagina Media Audiovisual SL to advance and permanently settle the transfer of the additional shareholding that would correspond to both companies. Consequently they will receive, out of the treasury stock of Atresmedia Corporación, 2.079 per cent and 1.631 per cent respectively of the capital. The terms and conditions agreed in connection with the company Gala Desarrollos Comerciales SL will remain unchanged. Consequently, they will be entitled to receive an additional share of 0.508 per cent of the capital stock of Atresmedia Corporación on the basis of the results eventually obtained by the Atresmedia Group. RTL Group's shareholding, as a result of this partial novation, will be reduced from 20.5 per cent to 19.8 per cent. In absence of any change in the governance of Atresmedia, this does not change the significant influence of RTL Group in Atresmedia.

Outlook

Over the second half of 2013, TV advertising market conditions improved in most of RTL Group's European territories. Assuming that European economies will continue to recover from the debt crisis, RTL Group expects its total revenue, at constant scope and exchange rates, to be broadly stable.

With the football World Cup in June and July 2014, advertising revenue is expected to be geared towards the first half of the year.

RTL Group's EBITA for the full year 2014 is also expected to be broadly stable.

As announced in January 2014, the US network Fox did not renew *The X Factor US*. This will negatively impact FremantleMedia's revenue and EBITA.

RTL Group has historically shown an operating cash conversion rate of close to 100 per cent and this is not expected to change significantly.

The central performance indicator for assessing the profitability from operations and return on invested capital is RTL Group Value Added (RVA)[22]. RVA measures the profit realised above and beyond the appropriate return on invested capital. This form of value orientation is reflected in strategic investment and portfolio planning, including the management of Group operations, and is the basis for senior management compensation. In 2013, RVA was €463 million (2012: €408 million). With selected programme investments and higher working capital, RTL Group expects the RVA to be slightly down in 2014.

Sporting events such as the Winter Olympics and the Fifa Football World Cup are expected to benefit the audience shares of the public broadcasters in the first half of 2014. As in previous years with major sporting events, this will have a slight impact on the global performance of RTL Group's TV channels in terms of audiences and, in specific markets such as the Netherlands, to RTL Group's share of the TV advertising market.

High audience shares of RTL Group's TV channels will continue to form the basis of the Group's success. In the digital, multi-channel world, audience fragmentation has accelerated in many of RTL Group's territories, driven by new channel launches, the switch-off of analogue distribution and stronger performances by niche channels. As a consequence, building and extending strong, complementary families of channels remains an important task in responding to audience fragmentation.

However, RTL Group expects specific impacts in the following territories:

- In Germany the launch of a new kids channel is expected to have a significant negative impact on Super RTL;
- In Hungary RTL Group's market leading free-to-air channel remains under pressure from the growth in cable offers, although this is offset to a large extent by RTL Group's own cable channels.

For the full year 2014, RTL Group expects the combined audience shares of its families of channels to be only slightly different compared to 2013.

5 March 2014
The Board of Directors

22 The RVA is the difference between net operating profit after tax (NOPAT), defined as EBITA adjusted for a uniform tax rate of 33 per cent, and cost of capital. Cost of capital is the product of the weighted average cost of capital (a uniform 8 per cent after taxes) and invested capital (operating assets less non-interest-bearing operating liabilities). The present value of operating leases is also taken into account when calculating the invested capital

MANAGEMENT RESPONSIBILITY STATEMENT

We, Guillaume de Posch and Anke Schäferkordt, Chief Executive Officers, 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, 5 March 2014

Anke Schäferkordt and **Guillaume de Posch**
Chief Executive Officers

Elmar Heggen
Chief Financial Officer

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2013

	Notes	2013 €m	2012 €m
Continuing operations			
Revenue	5. 7.1.	5,889	5,998
Other operating income		50	45
Consumption of current programme rights		(1,940)	(2,015)
Depreciation, amortisation and impairment		(203)	(187)
Other operating expenses	7.2.	(2,687)	(2,790)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures		(10)	(10)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	7.3.	5	(9)
Profit from operating activities		1,104	1,032
Share of results of associates	8.4.	102	(53)
Earnings before interest and taxes ("EBIT")		1,206	979
Interest income	7.4.	8	11
Interest expense	7.4.	(30)	(21)
Financial results other than interest	7.5.	69	(1)
Profit before taxes		1,253	968
Income tax expense	7.6.	(305)	(277)
Profit for the year from continuing operations		948	691
Discontinued operations			
Loss for the year from discontinued operations	4.	–	(1)
Profit for the year		948	690
Attributable to:			
RTL Group shareholders		870	597
Non-controlling interests		78	93
Profit for the year		948	690
EBITA* (continuing operations)		1,152	1,078
Impairment of disposal group	8.10.	(10)	–
Impairment of investments in associates	8.4.	68	(82)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures		(10)	(10)
Re-measurement of earn-out arrangements		1	2
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	7.3.	5	(9)
Earnings before interest and taxes ("EBIT")		1,206	979
Earnings per share from continuing operations (in €)			
– Basic		5.67	3.89
– Diluted		5.67	3.89
Earnings per share from discontinued operations (in €)			
– Basic		–	(0.01)
– Diluted		–	(0.01)
Earnings per share (in €)			
– Basic	7.7.	5.67	3.88
– Diluted	7.7.	5.67	3.88

* 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 of subsidiaries and joint ventures, impairment of investments in associates, re-measurement of earn-out arrangements and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2013

	Notes	2013 €m	2012 €m
Profit for the year		**948**	690
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations	8. 14.	**–**	(33)
Income tax	8. 6.	**(1)**	6
		(1)	(27)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**(26)**	8
Effective portion of changes in fair value of cash flow hedges	8. 15. 4.	**(26)**	(20)
Income tax	8. 6.	**7**	6
		(19)	(14)
Change in fair value of cash flow hedges transferred to profit or loss	8. 15. 4.	**(15)**	(26)
Income tax	8. 6.	**5**	8
		(10)	(18)
Fair value gains/(losses) on available-for-sale financial assets	8. 15. 5.	**(15)**	14
Income tax	8. 6.	**3**	(1)
		(12)	13
		(67)	(11)
Other comprehensive loss for the year, net of income tax		**(68)**	(38)
Total comprehensive income for the year		**880**	652
Attributable to:			
RTL Group shareholders		**803**	568
Non-controlling interests		**77**	84
Total comprehensive income for the year		**880**	652

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

	Notes	2013 €m	2012 €m
Non-current assets			
Programme and other rights	8.1.	114	124
Goodwill	8.1. 8.2.	2,709	2,679
Other intangible assets	8.1.	198	202
Property, plant and equipment	8.3.	332	346
Investments in associates	8.4.	336	251
Loans and other financial assets	8.5. 8.8.	141	239
Deferred tax assets	8.6.	392	377
		4,222	4,218
Current assets			
Programme rights	8.7.	961	906
Other inventories		15	30
Income tax receivable		42	86
Accounts receivable and other financial assets	8.8.	1,726	2,005
Cash and cash equivalents	8.9.	574	650
		3,318	3,677
Assets classified as held for sale	8.4. 8.10.	27	3
Current liabilities			
Loans and bank overdrafts	8.11.	37	16
Income tax payable		92	79
Accounts payable	8.12.	2,538	2,146
Provisions	8.13.	195	221
		2,862	2,462
Liabilities directly associated with non-current assets classified as held for sale	8.10.	24	–
Net current assets		459	1,218
Non-current liabilities			
Loans	8.11.	530	13
Accounts payable	8.12.	331	329
Provisions	8.13.	169	174
Deferred tax liabilities	8.6.	58	62
		1,088	578
Net assets		3,593	4,858
Equity attributable to RTL Group shareholders		3,159	4,366
Equity attributable to non-controlling interests		434	492
Equity	8.15.	3,593	4,858

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 31 December 2013

	Notes	Share capital €m	Treasury shares €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Reserves and retained earnings €m	Equity attributable to RTL Group shareholders €m	Equity attributable to non-controlling interests €m	**Total equity €m**
Balance at 1 January 2012		192	(44)	(150)	52	76	4,470	4,596	497	5,093
Total comprehensive income:										
Profit for the year		–	–	–	–	–	597	597	93	**690**
Foreign currency translation differences	8. 15. 3.	–	–	8	–	–	–	8	–	**8**
Effective portion of changes in fair value of cash flow hedges, net of tax	8. 15. 4.	–	–	–	(13)	–	–	(13)	(1)	**(14)**
Change in fair value of cash flow hedges transferred to profit and loss, net of tax		–	–	–	(18)	–	–	(18)	–	**(18)**
Fair value gains/(losses) on available-for-sale financial assets, net of tax	8. 15. 5.	–	–	–	–	20	–	20	(7)	**13**
Re-measurement of post-employment benefit obligations, net of tax		–	–	–	–	–	(26)	(26)	(1)	**(27)**
		–	–	8	(31)	20	571	568	84	**652**
Capital transactions with owners:										
Dividends	8. 15. 6.	–	–	–	–	–	(783)	(783)	(95)	**(878)**
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.	–	–	–	–	–	(16)	(16)	(1)	**(17)**
Transactions on non-controlling interests with a change in control	8. 15. 8.	–	–	–	–	–	–	–	1	**1**
Derivatives on equity instruments	8. 15. 9.	–	–	–	–	–	2	2	3	**5**
Transactions on treasury shares of associates		–	–	–	–	–	(3)	(3)	–	**(3)**
		–	–	–	–	–	(798)	(798)	(89)	**(887)**
Balance at 31 December 2012		192	(44)	(142)	21	96	4,243	4,366	492	4,858
Total comprehensive income:										
Profit for the year		–	–	–	–	–	870	870	78	**948**
Foreign currency translation differences	8. 15. 3.	–	–	(26)	–	–	–	(26)	–	**(26)**
Effective portion of changes in fair value of cash flow hedges, net of tax	8. 15. 4.	–	–	–	(19)	–	–	(19)	–	**(19)**
Change in fair value of cash flow hedges transferred to profit and loss, net of tax		–	–	–	(10)	–	–	(10)	–	**(10)**
Fair value gains/(losses) on available-for-sale financial assets, net of tax	8. 15. 5.	–	–	–	–	(11)	–	(11)	(1)	**(12)**
Re-measurement of post-employment benefit obligations, net of tax		–	–	–	–	–	(1)	(1)	–	**(1)**
		–	–	(26)	(29)	(11)	869	803	77	**880**
Capital transactions with owners:										
Dividends	8. 15. 6.	–	–	–	–	–	(1,998)	(1,998)	(144)	**(2,142)**
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.	–	–	–	–	–	(5)	(5)	1	**(4)**
Transactions on non-controlling interests with a change in control	8. 15. 8.	–	–	–	–	–	(10)	(10)	4	**(6)**
Derivatives on equity instruments	8. 15. 9.	–	–	–	–	–	1	1	1	**2**
		–	–	–	–	–	(2,010)	(2,010)	(135)	**(2,145)**
Balance at 31 December 2013		192	(44)	(168)	(8)	85	3,102	3,159	434	3,593

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

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2013

	Notes	2013 €m	2012 €m
Cash flows from operating activities (including discontinued operations)			
Profit before taxes from continuing operations		**1,253**	968
Loss before taxes from discontinued operations		**–**	(1)
		1,253	967
Adjustments for:			
– Depreciation and amortisation		**195**	185
– Value adjustments, impairment and provisions		**110**	200
– Equity-settled share-based payments expenses		**5**	5
– Gain on disposal of assets		**(33)**	(33)
– Financial results including net interest expense and share of results of associates		**(142)**	83
Use of provisions	8. 13.	**(95)**	(113)
Working capital changes		**68**	(44)
Income taxes paid		**(240)**	(325)
Net cash from operating activities		**1,121**	925
– thereof used in discontinued operations Alpha	4.	**–**	(3)
Cash flows from investing activities (including discontinued operations)			
Acquisitions of:			
– Programme and other rights		**(81)**	(103)
– Subsidiaries and joint ventures net of cash acquired	6. 4.	**(79)**	(8)
– Other intangible and tangible assets		**(86)**	(90)
– Other investments and financial assets		**(18)**	(48)
Current deposit with shareholder	8. 8. 10. 1.	**–**	(25)
		(264)	(274)
Proceeds from the sale of intangible and tangible assets		**23**	27
Disposal of other subsidiaries and joint ventures, net of cash disposed of	4.	**–**	(2)
Proceeds from the sale of associates, other investments and financial assets	8. 4. 8. 5. 8. 8.	**250**	33
Current deposit with shareholder	8. 8. 10. 1.	**426**	187
Interest received		**25**	13
		724	258
Net cash from/(used in) investing activities		**460**	(16)
– thereof used in discontinued operations Alpha	4.	**–**	(2)
Cash flows from financing activities (including discontinued operations)			
Interest paid		**(3)**	(19)
Transactions on non-controlling interests	8. 15. 8.	**(3)**	(13)
Term loan facility due to shareholder	10. 1.	**500**	–
Proceeds from loans		**11**	7
Repayment of loans		**(6)**	(60)
Dividends paid		**(2,143)**	(880)
Net cash used in financing activities		**(1,644)**	(965)
– thereof used in discontinued operations Alpha	4.	**–**	(20)
Net decrease in cash and cash equivalents		**(63)**	(56)
Cash and cash equivalents and bank overdrafts at beginning of year	8. 9.	**645**	700
Effect of exchange rate fluctuation on cash held		**(5)**	1
Effect of cash in disposal group held for sale	8. 10.	**(5)**	–
Cash and cash equivalents and bank overdrafts at end of year	8. 9.	**572**	645

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 2013 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 525 companies. The Group mainly 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 2013 is set out in note 13.

The Company is listed on the Brussels, Frankfurt 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 SE & Co. KGaA, includes in its consolidated financial statements those of RTL Group SA. Bertelsmann SE & Co. KGaA 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 SE & Co. KGaA can be obtained at their registered office.

The consolidated financial statements of the Group were authorised for issue by the Board of Directors on 5 March 2014.

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;
- Non-derivative 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; and
- 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.

Certain comparative amounts in the consolidated statement of financial position have been reclassified to conform with the current year's presentation.

1. 2. 2.

Changes in accounting policy and disclosures

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

1. New and amended standards and interpretations (early) adopted by the Group

The following standards, amendments to standards and new interpretations are mandatory for the first time for the financial period beginning 1 January 2013, or have been early adopted, but are not currently relevant or have no or very limited impact for the Group:

- IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 – effective from 1 July 2012, and early adopted by the Group in the previous year's consolidated financial statements;
- IAS 19, "Employee benefits" (amendments published in June 2011) – effective from 1 January 2013; The standard requires past service cost to be recognised immediately in profit or loss and removes the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach) for defined benefit plans. As revised, amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability), including actuarial gains and losses are recognised in other comprehensive income with no subsequent recycling to profit or loss. The standard also replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. Finally, a new term "re-measurements" has been introduced. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost. This amendment did not have any material impact on the financial position, performance and cash flows of the Group. As a consequence, the consolidated financial statements for prior periods have not been restated;
- IFRS 13, "Fair value measurement" – effective from 1 January 2013; IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted;
- IAS 12 (amendments), "Deferred tax: recovery of underlying assets" – effective from 1 January 2013;
- IFRIC 20, "Stripping costs in the production phase of a surface mine" – effective from 1 January 2013;
- IAS 36, "Impairment of assets" (amendments) – effective from 1 January 2014 – early adopted by the Group;
- IFRS 1 (amendments), "First-time adoption of International Financial Reporting Standards – Government loans" – effective from 1 January 2013;
- IFRS 7 (amendments), "Financial instruments: disclosures on offsetting financial assets and financial liabilities" – effective from 1 January 2013;
- Annual improvements to IFRSs 2011 – effective from 1 January 2013.

2. Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following new standard has been published but is not effective for the Group's accounting period beginning on 1 January 2013:

- IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. In addition, final standard on hedging (excluding macro hedging) has been issued in November 2013 which aligns hedge accounting more closely with risk management, and so should result in more 'decision-useful' information to users of financial statements. A final standard is not expected before 2014. The Group is yet to assess IFRS 9's full impact and will also consider the impact of the remaining phases of IFRS 9 when completed by the Board (1).

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

The following new standards and amendments to standards have been published but are not effective for the Group's accounting period beginning on 1 January 2013 and are expected to have a limited impact for the Group, except if otherwise stated:

- IAS 27, "Separate financial statements" (revised 2011) – effective from 1 January 2014;
- IAS 28, "Associates and joint ventures" (revised 2011) – effective from 1 January 2014;
- IAS 32 (amendments), "Financial instruments: presentation – offsetting financial assets and financial liabilities" – effective from 1 January 2014;
- IAS 39, "Financial instruments: recognition and measurement" (amendments) – effective from 1 January 2014;
- IAS 19 revised, "Employee benefits", on defined benefit plans (effective 1 July 2014) (1);
- IFRS 10, "Consolidated financial statements" – effective from 1 January 2014;
- IFRS 11, "Joint arrangements" – effective from 1 January 2014;
- IFRS 12, "Disclosures of interests in other entities" – effective from 1 January 2014;
- IFRS 10, 11 and 12 (amendments), "Transition guidance" – effective from 1 January 2014;
- IFRS 10, 12 and IAS 27 (amendments), "Consolidation for investment entities" – effective from 1 January 2014;
- IFRIC 21, "Levies" – effective from 1 January 2014 (1);
- Annual improvements to IFRSs 2012–2013 – effective from 1 July 2014 (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 interests is presented separately as non-controlling interests in the consolidated statement of financial position and in the consolidated income statement.

Accounting for business combinations

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.

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 value 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 interests 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 value at the acquisition date.

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

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 the net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

Loss of control

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value subsequently becomes the initial carrying amount for the purposes of accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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 decided not to reverse any impairment loss recognised and allocated to goodwill on associates prior to 1 January 2009. This cumulated impairment loss amounted to €291 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 on-going 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, distribute or trade them as part of the Group's long-term operations. 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. The (co-)production shares and flat fees of distributors are amortised over the applicable product lifecycle based upon the ratio of the current period's revenue to the estimated remaining total revenue (ultimate revenue) for each (co-)production.

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 a worldwide operation.

No goodwill is recognised on the acquisition of non-controlling interests.

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.

Other intangible assets with a definite useful life also include capitalised costs associated with the acquisition of sports club players. These costs are amortised on a straight-line basis over the period of the respective contracts. The term of these contracts may vary but it generally ranges from one to five 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 separately accounted for, 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 have 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 determine the appropriate classification of its investments at the time of the purchase and re-evaluate 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 designated at fair value through profit or loss if they contain one or more embedded derivatives which cannot be measured separately, or when they are managed and their performance is evaluated on a fair value basis. 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 and 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. The net realisable value assessment is based on the advertising revenue expected to be generated when broadcast and on estimated net sales. Weak audience shares or changes from a prime time to a late-night slot constitute indicators that a valuation allowance may be recorded. 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 as follows:

- Free television thematic channels: programme rights are consumed on a straight line basis over a maximum of six runs;
- Free television other channels:
  - Blockbusters (films with high cinema ticket sales), 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: at least 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;
- Pay television channels: programme rights are consumed on a straight line basis over the license period.

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 ("PLP") and Compensation Agreements with RTL Group's controlling shareholder, VAT recoverable, and prepaid expenses. Trade and other accounts receivable are measured at amortised cost. Impairment losses on trade and other accounts receivable 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, commercial paper, bank deposits and marketable securities, all of which mature within three months from the date of purchase, and money market funds that qualify as cash and cash equivalents under IAS 7 (see note 3.1.2.).

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 where applicable, 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 and 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.

Evidence of impairment of available-for-sale financial assets is assessed on the basis of two qualitative criteria:

- A significant drop of the fair value, considered as a decline exceeding one quarter of the acquisition cost, while giving consideration to all market conditions and circumstances; or
- The observation of an unrealised loss over two consecutive years.

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 ("Financial results other than interest"). 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. The impairment losses on the assets related to disposal groups are reported in non-current assets held for sale.

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 Agreement ("PLP") with RTL Group's controlling shareholder, VAT payable, fair value of derivative liabilities, accrued expenses, and accounts payable 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 risk-free 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.

Provisions for onerous contracts relate to unavoidable costs for individual programme rights, the performance of which is assessed as clearly below that originally planned when the contract was agreed. Such situations mainly arise in case of executory obligations to purchase programmes which will not be aired due to lack of audience capacity or to a mismatch with the current editorial policy. In addition, an expected or actual fall in audience can be evidenced by several indicators such as the underperformance of a previous season, the withdrawal of the programme's main advertisers or a decline in the popularity or success of sport stars. Long-term sourcing agreements aim to secure the supply in programmes of broadcasters. They are mainly output deals, production agreements given the European quota obligations, and arrangements with sport organisations. 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.

Past-service costs are recognised immediately in 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 spouses 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.

When a share option is granted, 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.

1. 20. 2.
Treasury shares

Where the Company or its subsidiaries purchase the Company's own equity, 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 government 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.

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

Gains/(losses) on disposal or loss of control of subsidiaries owning only one non-financial asset or a group of similar assets are classified in 'Other operating income' to reflect the substance of the transaction.

1. 24.

Interest income/expense

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

1. 25.

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 Group'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. 26.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or a 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 income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

1. 27.

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 by 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. 28.
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 revenue and incur expenses, including revenue 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 accounts receivable from the shareholder in relation to the PLP and Compensation Agreements, 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 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 originally planned. 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 and investments in associates

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

The Group tests annually whether investments in associates have suffered any impairment, and if any impairment should be reversed.

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.
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 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/liabilities at fair value through profit or loss

The Group has used discounted cash flow analysis for various available-for-sale investments and financial assets/liabilities 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 €4 million lower or higher were the discount rates used in the discounted cash flows 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, deferred and other taxes

The Group is subject to income and other 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 2013, deferred tax assets on losses carry-forwards (mainly in Germany, €28 million; 2012: €33 million) and on temporary differences (mainly in Germany, €335 million; 2012: €313 million) have been reassessed on the basis of currently implemented tax strategies.

2. 7.

Post-employment benefits

The post-employment benefits lay on several assumptions such as:

- The discount rate determined by reference to market yields at the closing on high quality corporate bonds;
- Estimate of future salary increases mainly taking into account inflation, seniority, promotion, and supply and demand in the employment market.

2. 8.

Disposal groups

The determination of the fair value less costs to sale requires management judgement as it relates to estimates of proceeds of the disposal, residual obligations and direct disposal costs.

2. 9.

Contingent liabilities

Contingent liabilities are disclosed unless management consider that the likelihood of an outflow of economic benefits is remote.

3. FINANCIAL RISK MANAGEMENT

3. 1.
Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency, interest rate, inflation risk and equity risks), counterparty credit risk and liquidity risk. The Group is exposed in particular to risks from movements in foreign exchange rates as it engages in long-term purchase contracts for programme rights (output deals) denominated in foreign currency.

Risk management is carried out by the Group Treasury department under the supervision of the Chief Financial Officer under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges risks in close cooperation with the Group's operating units. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board of Directors has issued written principles for overall risk management as well as written policies covering specific areas, such as market risk, credit risk, liquidity risk, use of derivatives and investment of excess liquidity.

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 linked to the conversion of net investments in foreign operations is not hedged).

3. 1. 1.
Market risk

Foreign exchange risk

Foreign exchange exposure

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect of USD and GBP. Foreign exchange risk arises from recognised assets and liabilities, future commercial transactions and net investments in foreign operations.

For the Group as a whole, cash flows, net income and net worth are optimised by reference to the 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, market practices in the television business imply a significant forward exposure to USD as programme rights are usually denominated in USD and not paid up-front. For this reason, 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 (USD 76 million as at 31 December 2013, USD 6 million as at 31 December 2012).

Management of the foreign exchange exposure

Management have set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their entire foreign currency exchange risk exposure with the Group Treasury in accordance with the Group Treasury polices. All foreign currency exchange exposures, including signed and forecast output deals and programme rights in foreign currency are centralised in an intranet-based database. To manage their foreign exchange risk arising from recognised assets and liabilities and future commercial transactions, entities in the Group use forward contracts transacted with Group Treasury. Group Treasury is then responsible for hedging, most of the time on a one-to-one basis, the exposure against the functional currency of the respective entity.

The Group Treasury policy is to hedge up to 100 per cent of the recognised monetary foreign currency exposures arising from cash, accounts receivable, accounts payable, loans receivable and borrowings denominated in currencies other than the functional currency. The Group policy is to hedge between 80 per cent and 100 per cent of short-term cash flow forecasts and between 20 per cent and 80 per cent of longer term (between two and five years) cash flow forecasts. Approximately 70 per cent (2012: 72 per cent) of anticipated cash flows constitute firm commitments or highly probable forecast transactions for hedge accounting purposes.

In order to monitor the compliance of the management of the foreign exchange exposure with the Group's policy, a monthly report is produced and analysed by management. This report shows for each subsidiary its exposure to currencies other than their functional currency, detailing the nature (e.g. trade accounts, royalties, intercompany 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 currency exposures (mainly USD) is provided to RTL Group management on a monthly basis.

Accounting

For recognised foreign currency monetary assets and liabilities there is a natural offset of gains and losses in the income statement between the revaluation of the derivative and the exposure. Therefore, hedge accounting as defined under IAS 39 is not applied.

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.

When hedge accounting is applied, the effective portion of the changes in the fair value of the hedging instrument is recognised net of deferred tax in the hedging reserve as presented in the "Consolidated statement of changes 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 (including swap points) is recognised directly in profit or loss. For the year ended 31 December 2013, the amount of ineffectiveness (see note 7.5.) that has been recognised in the income statement is € nil million (€ (8) million in 2012).

Foreign exchange derivative contracts

The impact of forward foreign exchange contracts is detailed as follows:

	2013 €m	2012 €m
Net fair value of foreign exchange derivative assets (see notes 8.8. and 8.12.)	**(15)**	23
Operating foreign exchange gains/(losses)	**(1)**	(1)
Cash flow hedges ineffectiveness gains/(losses) (see note 7.5.)	**–**	(8)

	2013 €m	2012 €m
Less than 3 months	**(6)**	(1)
Less than 1 year	**(1)**	8
Less than 5 years	**(8)**	16
Net fair value of derivative assets (see notes 8.8. and 8.12.)	**(15)**	23

The split by maturities of notional amounts of forward exchange contracts at 31 December 2013 is, for the main foreign currencies, as follows:

	2014 £m	2015 £m	2016 £m	2017 £m	> 2017 £m	**Total £m**
Buy	208	35	7	2	1	253
Sell	(303)	(42)	(3)	(1)	(1)	(350)
Total	**(95)**	**(7)**	**4**	**1**	**–**	**(97)**

	2014 $m	2015 $m	2016 $m	2017 $m	> 2017 $m	**Total $m**
Buy	911	300	180	96	58	1,545
Sell	(318)	(63)	(14)	(1)	(4)	(400)
Total	**593**	**237**	**166**	**95**	**54**	**1,145**

The split by maturities of notional amounts of forward exchange contracts at 31 December 2012 is, for the main foreign currencies, as follows:

	2013 £m	2014 £m	2015 £m	2016 £m	> 2016 £m	**Total £m**
Buy	166	40	15	3	1	225
Sell	(234)	(27)	(7)	(1)	(1)	(270)
Total	**(68)**	**13**	**8**	**2**	**–**	**(45)**

	2013 $m	2014 $m	2015 $m	2016 $m	> 2016 $m	**Total $m**
Buy	903	264	190	136	98	1,591
Sell	(261)	(41)	(26)	(6)	(2)	(336)
Total	**642**	**223**	**164**	**130**	**96**	**1,255**

Sensitivity analysis to foreign exchange rates
Management estimate that:

- If the USD had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact for the Group (2012: no material impact), and in an additional pre-tax €68 million income (respectively expense) (2012: €75 million) recognised in equity;
- If the GBP had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact for the Group (2012: no material impact), and in an additional pre-tax €3 million expense (respectively income) (2012: €0.2 million) recognised in equity;
- If other currencies had been 10 per cent stronger compared to € (respectively weaker), with all other variables held constant, this would have had no material impact on profit or loss and equity (2012: no material impact).

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

Interest rate risk
Since the payment of an interim dividend on 7 March 2013, RTL Group entered financing agreements with Bertelsmann SE & Co. KGaA (see note 10.1.). The Group interest rate risk arises primarily from loans payable and from cash and cash equivalents.

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 minimise the interest rate funding cost of the shareholder loan (see note 10.1.), the Group entered into a 10-year-term loan facility in the amount of €500 million with a fixed interest rate of 2.713 per cent per year. The term loan matures on 7 March 2023. The fair value of the 10-year-term facility – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and RTL Group credit spread – amounts to €494 million. This is a Level 2 fair value measurement (see note 3.3.2.). Under the same shareholder loan agreement, the Group also has access to a revolving and swing line facility of up to €1 billion. The revolving and swing line facilities mature on 24 February 2018. The interest rates for loans under the revolving and swing line facilities are EURIBOR plus a margin of 0.60 per cent per year and EONIA plus a margin of 0.60 per cent per year, respectively. The balance between the fixed versus floating rate ratio might change substantially following the loan agreements described above. Management intend to maintain a suitable fixed versus floating rate ratio, taking into account interest rate yield curves. This percentage can be reviewed at the discretion of the Treasury Committee until the optimum mix between fixed and floating rates has been achieved. The Group considers if the predominance of floating rate debt is appropriate in view of the overall state of the economy, short-term interest rates and the Group's results.

In order to maximise the excess cash return on cash balances, cross border cash pooling has been set up for most of the entities of the Group. The interest rate strategy defined by RTL Group depends on the net cash position of each company.

When RTL Group has excess cash, the Treasury Committee defines the appropriate average tenor of the short-term placements based on business seasonality and regularly reviewed cash flow forecasts. Interest income depends on the evolution of floating interest rates and can potentially, in a low interest rate environment, generate a shortfall of income against interest expense.

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).

If the interest rates achieved would have been lower (respectively higher) by 100 basis points, and assuming the current amount of floating net cash available remains constant, the net interest income at 31 December 2013 would have been decreased (respectively increased) by €6 million (€11 million in 2012).

The following table indicates the effective interest rate of interest-earning financial assets and interest-bearing financial liabilities at 31 December 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
Loans to associates – fixed rate	8. 8.	8.0	1	–	1	–	–	–
Other loans – fixed rate	8. 5.	5.2	28	–	10	17	1	–
Other loans – floating rate	8. 5.	1.3	28	5	23	–	–	–
Cash and cash equivalents – earning assets	8. 9.	0.9	574	574	–	–	–	–
Bank loans – fixed rate	8. 11.	5.2	(28)	–	(10)	(17)	(1)	–
Bank loans – floating rate	8. 11.	5.5	(4)	(1)	(3)	–	–	–
Term loan facility due to shareholder – fixed rate	8. 11.	2.7	(500)	–	–	–	–	(500)
Loans due to associates – fixed rate	8. 11.	2.0	(4)	–	(4)	–	–	–
Bank overdrafts	8. 11.	0.3	(2)	(2)	–	–	–	–
Leasing liabilities – fixed rate	8. 11.	5.9	(1)	–	(1)	–	–	–
Loans payable – fixed rate	8. 11.	0.6	(4)	–	–	–	(1)	(3)
Loans payable – floating rate	8. 11.	3.0	(9)	(9)	–	–	–	–
At 31 December 2013			**79**	**567**	**16**	**–**	**(1)**	**(503)**
Other loans – fixed rate	8. 5.	3.3	6	–	1	3	2	–
Other loans – floating rate	8. 5.	1.5	26	23	3	–	–	–
Current deposit with shareholder – floating rate	8. 8.	0.3	426	426	–	–	–	–
Cash and cash equivalents – earning assets	8. 9.	0.9	631	631	–	–	–	–
Bank loans – floating rate	8. 11.	8.5	(3)	(2)	(1)	–	–	–
Bank overdrafts	8. 11.	2.0	(5)	(5)	–	–	–	–
Leasing liabilities – fixed rate	8. 11.	4.9	(7)	(1)	(2)	(2)	(2)	–
Loans payable – floating rate	8. 11.	1.9	(12)	(9)	(3)	–	–	–
At 31 December 2012			**1,062**	**1,063**	**(2)**	**1**	**–**	**–**

(1) Excluding accrued interests

3. 1. 2.
Credit risk

RTL Group's exposure to credit risk primarily arises through sales made to customers (trade receivables), investments in money market funds classified in cash and cash equivalents, and deposits made with banks and the shareholder.

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances that are managed by individual subsidiaries.

The Group's television and radio operations incur exposure to credit risk when making transactions with advertising agencies or direct customers. In 2013, the combined television and radio advertising revenue contributed 58 per cent of the Group's revenue (2012: 57 per cent). Due to its business model, RTL Group's exposure to credit risk is directly linked to the final client. However the risks are considered as low due to the size of the individual companies or agency groups.

RTL Group produces programmes that are sold or licensed to state-owned and commercial television channels. In 2013, these activities contributed 29 per cent of the Group's revenue (2012: 30 per cent). 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.

According to the banking policy of the Group, derivative instruments and cash transactions (including bank deposits and investments in money market funds) are operated only with high credit quality financial institutions so as to mitigate counterparty risk (only independently rated parties with a minimum rating of 'A' are accepted for bank deposits). The Group's bank relationship policy sets forth stringent criteria for the selection of banking partners and money market funds (such as applicable supervisory authorities, investment policy, 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.

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

Ageing of financial assets (excluding available-for-sale and fair value through profit or loss investments for respectively €65 million and € nil million) at 31 December 2013:

	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	83	56	–	–	–	–	–	27
Trade accounts receivable	1,146	814	149	54	30	17	23	59
Accounts receivable from associates	20	20	–	–	–	–	–	–
Other accounts receivable and current financial assets	477	466	4	–	–	–	–	7
Cash and cash equivalents	574	574	–	–	–	–	–	–
At 31 December 2013	**2,300**	**1,930**	**153**	**54**	**30**	**17**	**23**	**93**

Ageing of financial assets (excluding available-for-sale and fair value through profit or loss investments for respectively €116 million and €136 million) at 31 December 2012:

	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	58	31	–	–	–	–	–	27
Trade accounts receivable	1,177	834	181	60	22	11	9	60
Accounts receivable from associates	22	22	–	–	–	–	–	–
Current deposit with shareholder	426	426	–	–	–	–	–	–
Other accounts receivable and current financial assets	266	251	5	3	–	–	–	7
Cash and cash equivalents	650	650	–	–	–	–	–	–
At 31 December 2012	**2,599**	**2,214**	**186**	**63**	**22**	**11**	**9**	**94**

The top ten trade accounts receivable represent €113 million (2012: €135 million) while the top 50 trade accounts receivable represent €318 million (2012: €325 million).

The top ten counterparties for cash and cash equivalents represent €364 million (2012: €364 million).

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

(1) At 31 December 2013, cumulated valuation allowances amount to €93 million of which €4 million on collective basis. The latter are not taken into account in the table above

(2) At 31 December 2012, cumulated valuation allowances amount to €94 million of which €5 million on collective basis. The latter are not taken into account in the table above

3. 1. 3.

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, management aim to maintain flexibility in funding by keeping committed credit lines available despite the total net cash situation. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts on the Group's liquidity requirements to ensure it has sufficient headroom to meet operational needs. Management monitor, on a monthly basis, the level of the "Liquidity Head Room" (total committed facilities minus current utilisation through bank loans and guarantees).

2013	€m	Under 1 year €m	1–5 years €m	Over 5 years €m
Credit facilities – banks				
Committed facilities	**236**	235	1	–
Headroom	**45**	44	1	–
2012				
Credit facilities – banks				
Committed facilities	**288**	268	20	–
Headroom	**119**	100	19	–

Surplus cash held by the operating entities over and above balances required for working capital management is transferred to Group Treasury. Group Treasury invests surplus cash in interest bearing current accounts, time deposits, money market funds or deposits with Bertelsmann SE & Co. KGaA (see note 10.1.) choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table on the following page 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 below are the contractual undiscounted cash flows.

	Under 1 year €m	1–5 years €m	Over 5 years €m	Total €m
Non-derivative financial liabilities				
Loans and bank overdrafts	51	80	565	**696**
Accounts payable (1)	2,008	113	22	**2,143**
At 31 December 2013	**2,059**	**193**	**587**	**2,839**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	880	311	–	**1,191**
– Inflow	(857)	(297)	–	**(1,154)**
At 31 December 2013	**23**	**14**	**–**	**37**

(1) Accounts payable exclude employee benefit liability, deferred income, social security and other taxes payable, advance payments and other non-financial liabilities

	Under 1 year €m	1–5 years €m	Over 5 years €m	Total €m
Non-derivative financial liabilities				
Loans and bank overdrafts	16	8	6	**30**
Accounts payable (1)	1,668	87	35	**1,790**
At 31 December 2012	**1,684**	**95**	**41**	**1,820**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	702	198	–	**900**
– Inflow	(689)	(192)	–	**(881)**
At 31 December 2012	**13**	**6**	**–**	**19**

(1) Accounts payable exclude employee benefit liability, deferred income, social security and other taxes payable, advance payments and other non-financial liabilities

3. 2. Capital management

The Group monitors capital on the basis of its gearing ratio. This ratio is calculated as the Group's net financial debt divided by the reported EBITDA.

Net financial cash / (debt) is calculated as net cash including cash and cash equivalents, marketable securities, other short-term investments, cash deposit and others minus financial debt. EBITDA represents EBIT excluding amortisation and impairment of non-current programme and other rights, of goodwill and disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, impairment of investments in associates, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree.

The Group targets a conservative net, financial debt to EBITDA of between 0.5 and 1.0 times.

The Group's ability and intention to pay dividends in the future will depend on its financial condition, results of questions, capital requirements, investment alternatives and other factors that the management may deem relevant. Management expect that the principal source of funds for the payment of dividends will be the cash flow and dividends received from its current and future subsidiaries.

The Group intends to pay dividends in the future targeting a dividend ratio of between 50 and 75 per cent of the adjusted net profit attributable to RTL Group shareholders.

The adjusted net profit takes into account one-off/ non-recurring items, both positive and negative, impacting the reported net result attributable to RTL Group shareholders.

3.3. Accounting classifications and fair value hierarchy

3.3.1. 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 €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.	–	–	44	65	**109**
Accounts receivable and other financial assets (1)	8.8.	–	22	1,589	–	**1,611**
Cash and cash equivalents	8.9.	–	–	574	–	**574**
At 31 December 2013		**–**	**22**	**2,207**	**65**	**2,294**

(1) Accounts receivable exclude prepaid expenses, other taxes receivable and other non-financial receivable

	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.	–	–	567	**567**
Accounts payable (2)	8.12.	–	37	2,097	**2,134**
At 31 December 2013		**–**	**37**	**2,664**	**2,701**

(1) At amortised cost
(2) Accounts payable exclude employee benefits liability, deferred income, social security and other taxes payable, advance payments and other non-financial liabilities

	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.	57	–	29	116	**202**
Accounts receivable and other financial assets (2)	8.8.	79	42	1,784	–	**1,905**
Cash and cash equivalents	8.9.	–	–	650	–	**650**
At 31 December 2012		**136**	**42**	**2,463**	**116**	**2,757**

(1) Including NMG
(2) Accounts receivable exclude prepaid expenses, other taxes receivable and other non-financial receivable

	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.	–	–	29	**29**
Accounts payable (2)	8.12.	–	19	1,761	**1,780**
At 31 December 2012		**–**	**19**	**1,790**	**1,809**

(1) At amortised cost
(2) Accounts payable exclude employee benefits liability, deferred income, social security and other taxes payable, advance payments and other non-financial liabilities

3. 3. 2.

Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured at fair value. 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				
Available-for-sale investments	**65**	14	–	51
Derivatives used for hedging	**22**	–	22	–
At 31 December 2013	**87**	**14**	**22**	**51**
Liabilities				
Derivatives used for hedging	**37**	–	37	–
At 31 December 2013	**37**	**–**	**37**	**–**

There were no transfers between Levels 1, 2 and 3 during the year.

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Financial assets at fair value through profit or loss	**136**	–	57	79
Available-for-sale investments	**116**	16	43	57
Derivatives used for hedging	**42**	–	42	–
At 31 December 2012	**294**	**16**	**142**	**136**
Liabilities				
Derivatives used for hedging	**19**	–	19	–
At 31 December 2012	**19**	**–**	**19**	**–**

There were no transfers between Levels 1, 2 and 3 during the year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. 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 is 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 data, the instrument is included in Level 3.

The Group's finance department, which includes Group Treasury and Controlling teams, perform the recurring and non-recurring valuations of items to be valued at fair value for financial purposes, including Level 3 fair values. These teams report directly to the Chief Financial Officer, who reports to the Audit Committee at least once every quarter, in line with the Group's quarterly reporting dates. The main Level 3 related inputs used by RTL Group relate to the determination of the expected discounted cash flows as well as the discount rates used in the different valuations.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments (Level 2);
- The fair value of forward foreign exchange contracts classified under Level 2 are determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- For instruments classified under Level 3, other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The following table presents the change in Level 3 instruments for the year ended 31 December 2013:

	Financial assets at fair value through profit or loss €m	Available-for-sale investments €m	**Total €m**
Balance at 1 January	79	57	**136**
Disposal	(81)	–	**(81)**
Gains and losses recognised in other comprehensive income	–	(6)	**(6)**
Gains and losses recognised in profit or loss ("Financial results other than interest", see note 7.5.)	2	–	**2**
Balance at 31 December	–	51	**51**
Total gains/(losses) for the period included in profit or loss for assets held at the end of the reporting period	**2**	**–**	**2**

The following table presents the change in Level 3 instruments for the year ended 31 December 2012:

	Financial assets at fair value through profit or loss €m	Available-for-sale investments €m	**Total €m**
Balance at 1 January	76	50	**126**
Disposal	(1)	–	**(1)**
Gains and losses recognised in other comprehensive income	–	13	**13**
Gains and losses recognised in profit or loss ("Financial results other than interest", see note 7.5.)	4	(6)	**(2)**
Balance at 31 December	79	57	**136**
Total gains/(losses) for the period included in profit or loss for assets held at the end of the reporting period	**4**	**(6)**	**(2)**

4. DISCONTINUED OPERATIONS

On 20 February 2012, RTL Group disposed of Alpha which was presented as a discontinued operation as at 31 December 2012.

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 17 business units (of which Atresmedia and StyleHaul accounted for at equity), each one led by a CEO. They manage operations in television, radio and diversification businesses in eight European countries, in India and across South East Asia, in which the Group owns interests in 55 TV channels and 27 radio stations, of which eight TV channels and two radio stations held by Atresmedia (formerly Grupo Antena 3) associate; BroadbandTV, FremantleMedia, Radical Media and UFA Sports operate an international network in the content business.

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, free-to-air channels Vox, Super RTL, RTL Nitro and N-TV, thematic pay channels RTL Crime, RTL Living and Passion, and an equity participation in free-to-air channel RTL II. This segment also includes an array of diversification activities such as new media and content;
- Groupe M6: primarily composed of the commercial free-to-air TV channel M6. This segment also includes two other free-to-air television channels, W9 and the newly launched 6ter, plus a number of smaller thematic pay channels. This segment also includes significant other activities such as new media, 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, Germany, the United Kingdom and Australia;
- RTL Nederland: this segment covers television, radio and a wide range of new media and diversification activities. The segment's television channels cover RTL 4, RTL 5, RTL 7, RTL 8, RTL Lounge, RTL Crime and RTL Telekids, and are the leading family of channels in the Netherlands;
- RTL Belgium: this segment includes both television and radio activities primarily focused on 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, Radio Contact and Bel RTL;
- RTL Radio (France): 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, € 100 million) and German radio (€ 52 million). Group headquarters provides services, initiates 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's accounting policies and primary statements.

5. 1. Segment information

	Mediengruppe RTL Deutschland 2013 €m	Mediengruppe RTL Deutschland 2012 €m	Groupe M6 2013 €m	Groupe M6 2012 €m
Revenue from external customers	**2,001**	1,979	**1,374**	1,378
Inter-segment revenue	**2**	3	**9**	9
Total revenue	**2,003**	1,982	**1,383**	1,387
Profit/(loss) from operating activities	**604**	561	**190**	217
Share of results of associates	**21**	21	**–**	–
EBIT	**625**	582	**190**	217
EBITA (continuing operations)	**622**	581	**207**	224
Impairment of disposal group	**–**	–	**(10)**	–
Impairment of investments in associates	**–**	–	**–**	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**(1)**	(1)	**(7)**	(7)
Re-measurement of earn-out arrangements	**–**	2	**–**	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**4**	–	**–**	–
EBIT	**625**	582	**190**	217
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)	**1,496**	1,476	**1,421**	1,476
Investments in associates	**59**	60	**–**	–
Assets classified as held for sale	**–**	–	**22**	–
Segment assets	**1,555**	1,536	**1,443**	1,476
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	**887**	849	**639**	618
Liabilities directly associated with non-current assets classified as held for sale	**–**	–	**24**	–
Segment liabilities	**887**	849	**663**	618
Invested capital	**668**	687	**780**	858
Segment assets				
Deferred tax assets				
Income tax receivable				
Other assets (1)				
Cash and cash equivalents				
Total assets				
Segment liabilities				
Deferred tax liabilities				
Income tax payable				
Other liabilities				
Total liabilities				
Capital expenditure (2)	**14**	16	**122**	117
Depreciation and amortisation	**(19)**	(19)	**(119)**	(107)
Impairment losses excluding goodwill	**–**	–	**–**	–
Impairment of goodwill of subsidiaries and joint ventures and of disposal group	**–**	–	**(10)**	–

(1) Including cash and cash equivalents classified as held for sale
(2) Capital expenditure includes additions in "Programme and other rights", "Other intangible assets" and "Property, plant and equipment", new goodwill following acquisitions of subsidiaries and joint ventures and incremental fair value on identifiable assets following purchase accounting

	FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other Segments		Eliminations		Total Group	
	2013 €m	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m
	1,371	1,554	**455**	431	**208**	209	**172**	178	**308**	269	**–**	–	**5,889**	5,998
	162	157	**–**	–	**1**	1	**3**	2	**41**	35	**(218)**	(207)	**–**	–
	1,533	1,711	**455**	431	**209**	210	**175**	180	**349**	304	**(218)**	(207)	**5,889**	5,998
	137	137	**103**	97	**46**	45	**29**	30	**(5)**	(55)	**–**	–	**1,104**	1,032
	–	(10)	**–**	–	**–**	–	**–**	–	**81**	(64)	**–**	–	**102**	(53)
	137	127	**103**	97	**46**	45	**29**	30	**76**	(119)	**–**	–	**1,206**	979
	136	138	**103**	97	**46**	45	**29**	30	**9**	(37)	**–**	–	**1,152**	1,078
	–	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(10)**	–
	–	(10)	**–**	–	**–**	–	**–**	–	**68**	(72)	**–**	–	**68**	(82)
	–	–	**–**	–	**–**	–	**–**	–	**(2)**	(2)	**–**	–	**(10)**	(10)
	1	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1**	2
	–	(1)	**–**	–	**–**	–	**–**	–	**1**	(8)	**–**	–	**5**	(9)
	137	127	**103**	97	**46**	45	**29**	30	**76**	(119)	**–**	–	**1,206**	979
													8	11
													(30)	(21)
													69	(1)
													(305)	(277)
													948	691
	1,758	1,763	**397**	361	**167**	172	**167**	179	**417**	558	**(124)**	(123)	**5,699**	5,862
	–	–	**–**	–	**–**	–	**–**	–	**277**	191	**–**	–	**336**	251
	–	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**22**	–
	1,758	1,763	**397**	361	**167**	172	**167**	179	**694**	749	**(124)**	(123)	**6,057**	6,113
	496	550	**146**	120	**116**	104	**68**	73	**305**	287	**(124)**	(123)	**2,533**	2,478
	–	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**24**	–
	496	550	**146**	120	**116**	104	**68**	73	**305**	287	**(124)**	(123)	**2,557**	2,478
	1,262	1,213	**251**	241	**51**	68	**99**	106	**389**	462	**–**	–	**3,500**	3,635
													6,057	6,113
													392	377
													42	86
													502	672
													574	650
													7,567	7,898
													2,557	2,478
													58	62
													92	79
													1,267	421
													3,974	3,040
	26	30	**29**	13	**2**	4	**3**	2	**38**	20	**–**	–	**234**	202
	(19)	(22)	**(9)**	(7)	**(5)**	(5)	**(4)**	(4)	**(19)**	(22)	**–**	–	**(194)**	(186)
	(1)	(2)	**(1)**	(1)	**–**	–	**–**	–	**–**	–	**–**	–	**(2)**	(3)
	–	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(10)**	–

Restructuring cost amounted to €6 million (of which mainly FremantleMedia, €5 million) (2012: €8 million, of which FremantleMedia €7 million)

5. 2. Geographical information

Geographical areas are based on where customers (revenue) and the Group's non-current assets are located. Goodwill has been 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		France		USA		The Netherlands		Belgium		UK		Other regions		Total	
	2013 €m	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m	**2013 €m**	2012 €m
Revenue from external customers	**2,080**	2,110	**1,545**	1,551	**604**	640	**468**	448	**231**	238	**237**	219	**724**	792	**5,889**	5,998
Non-current assets	**1,003**	1,019	**928**	939	**441**	441	**306**	287	**47**	50	**411**	411	**217**	204	**3,353**	3,351
Assets classified as held for sale	**–**	3	**27**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**27**	3
Capital expenditure	**19**	42	**125**	120	**7**	3	**30**	14	**2**	4	**5**	4	**46**	15	**234**	202

The revenue generated in Luxembourg amounts to €60 million (2012: €55 million). The total of non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets located in Luxembourg amounts to €25 million (2012: €27 million).

6. ACQUISITIONS AND DISPOSALS

6. 1. Acquisitions and increases in interests held in subsidiaries

Details of main acquisitions in the year ended 31 December 2013 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 financial statements from the date that control was transferred to the Group.

In aggregate, the acquired businesses contributed revenue of €9 million and profit attributable to RTL Group shareholders of €(1) million for the post acquisition period to 31 December 2012. 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 €5,900 million and €871 million, respectively.

6. 2. Details of main acquisitions and disposals, increases in interests held in subsidiaries

2013

BroadbandTV

On 20 June 2013, RTL Group acquired 57.5 per cent of BroadbandTV Corp. (51 per cent on a fully diluted per share basis). BroadbandTV is the third largest multi-channel network on Youtube. The transaction accelerates RTL Group's expansion strategy in the online video market, especially in the new generation of video channels, networks and aggregators distributed via internet and requiring the ability to aggregate, manage and monetise audiences across a large number of channels. The transaction qualified as a business combination since RTL Group gained the control of BroadbandTV.

The purchase consideration, partly contributed to BroadbandTV, amounted to €23 million, net of cash acquired and resulted in the recognition of a goodwill of €22 million.

The following identifiable assets and liabilities have been recognised for the technology and trade names and a related deferred tax liability for an amount of €2.3 million and €0.6 million, respectively.

At 31 December 2013, the contingent consideration based on a variable performance component that includes earn-out mechanisms up to a maximum and undiscounted amount of €11 million, has been recognised for €2 million. This is a Level 3 fair value measurement at initial recognition. The goodwill arising from the acquisition will not be tax deductible. The transaction related costs amount to €1.5 million, mainly consisting of legal fees and due diligence costs reported in "Other operating expenses".

	2013		
	Carrying amount at date of gain of control €m	Incremental value €m	**Fair value at date of gain of control €m**
Cash and cash equivalents	**7**	–	**7**
Other intangible assets	**1**	2	**3**
Accounts receivable and other financial assets	**5**	–	**5**
Accounts payable	**(2)**	–	**(2)**
Deferred tax liabilities	**–**	(1)	**(1)**
Non-controlling interests	**(4)**	–	**(4)**
Net assets acquired	**7**	1	**8**
Goodwill			**22**
Total purchase consideration			**30**
Contingent consideration			**(2)**
Cash and cash equivalents in operations acquired			**(7)**
Cash outflow on acquisition			**21**

The Entertainment Group

On 22 July 2013, RTL Group acquired 65 per cent of The Entertainment Group BV ("TEG"), the number one Transaction Video-On-Demand company in the Netherlands. TEG, under the brand name Videoland, complements RTL Nederland's offer of non-linear video viewing. The remaining 35 per cent interest 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. This is a Level 3 fair value measurement at initial recognition.

The transaction qualified as a business combination since RTL Group gained the control of TEG for a consideration, net of cash acquired, of €13 million. The purchase accounting did not lead to recognition of additional identifiable assets and liabilities.

The transaction resulted in the recognition of a goodwill of €13 million. At 31 December 2013, contingent consideration amounts to €6 million. Goodwill in connection with this transaction will not be tax deductible. The acquisition-related costs of €0.2 million, mainly consisting of legal fees and due diligence costs, have been recognised in "Other operating expenses".

	2013		
	Carrying amount at date of gain of control €m	Incremental value €m	Fair value at date of gain of control €m
Cash and cash equivalents	1	–	1
Accounts receivable and other financial assets	4	–	4
Accounts payable	(4)	–	(4)
Net assets acquired	1	–	1
Goodwill			13
Total purchase consideration			14
Contingent consideration			(6)
Cash and cash equivalents in operations acquired			(1)
Cash outflow on acquisition			7

Miso Film

On 25 November 2013, RTL Group acquired 51 per cent in Miso Holding ApS. Miso Film is a leading Danish scripted independent production entity. FremantleMedia strengthens both its scripted business and its Nordic presence. The transaction qualified as a business combination since RTL Group gained the control of Miso Film. The purchase consideration, net of cash acquired and contingent on net debt and working capital, amounted to €7 million resulting in the recognition of a provisional goodwill of €7 million. RTL Group holds call options exercisable in 2018 with a vendors' contingent put option exercisable in the event of the occurrence of uncertain future events that are beyond the control of both the issuer and the holder for a minimum of five years after the completion date. The discounted put option liability amounted to €10 million at the acquisition date. This is a Level 3 fair value measurement at initial recognition. The total consideration which the Group might pay for 100 per cent of Miso Film is capped to an undiscounted amount of €30 million. The goodwill arising from the acquisition will not be tax deductible. The acquisition-related costs of €0.4 million mainly comprise legal fees and due diligence costs and are reported in "Other operating expenses".

	2013		
	Carrying amount at date of gain of control €m	Incremental value €m	Fair value at date of gain of control €m
Property, plant and equipment	1	–	1
Net deferred tax assets	1	–	1
Current programme rights	16	–	16
Accounts receivable and other financial assets	3	–	3
Accounts payable	(20)	–	(20)
Interest-bearing loans payable and borrowings	(1)	–	(1)
Net assets acquired	**–**	–	**–**
Goodwill			7
Total purchase consideration			**7**
Cash outflow on acquisition			**7**

Other acquisitions and disposals, increases in interest held in subsidiaries

- On 18 April 2013, RTL Group acquired 20 per cent of FutureWhiz Media BV through a contribution to the share capital and share premium and an airtime contribution. The company manages a subscription based educational online platform in the Netherlands, Squla. The acquisition is in line with the strategy of the Group to expand online. Jointly controlled, the company is proportionately consolidated. The purchase consideration amounted to €1.5 million, net of cash acquired. The purchase accounting did not lead to recognition of additional identifiable assets and liabilities. The transaction resulted in the recognition of a goodwill of €2 million;
- On 11 July 2013, Groupe M6 acquired 69.49 per cent of Luxview SAS and increased its share to 95.56 per cent on 30 September 2013. Luxview SAS holds 100 per cent of the Belgian company, Optilens SPRL. Through this acquisition, Groupe M6 has increased its presence in e-commerce. The transaction qualified as a business combination since Groupe M6 gained the control of both

companies. The purchase consideration amounted to below €1 million, net of cash acquired. The transaction resulted in the recognition of a provisional goodwill of €1.5 million;
- The full amount of the earn-out mechanism granted to the sellers of Original FMM LLC (Original Productions) on 20 February 2009 has been paid by RTL Group in January 2013 for an amount of €37.9 million;
- The put option on Ludia Inc of 9.5 per cent, concluded on 1 October 2010 at the time of the acquisition, was exercised and paid in May 2013 by RTL Group for an amount of €4.5 million. The remaining options are expected to be exercised during the first quarters of 2014 and 2015.

2012

There were no major acquisitions in the year ended 31 December 2012. The Group incurred insignificant acquisition-related costs.

Other acquisitions and disposals, increases in interest held in subsidiaries

- On 2 January 2012, RTL Group acquired 100 per cent of *Gutscheine.de* HSS GmbH (renamed Smart Shopping and Saving GmbH in 2013) which operates online couponing sites in Germany. The acquisition strengthened RTL Group's position in the German online market. The transaction qualified as a business combination since RTL Group gained the control of *Gutscheine.de*. The purchase accounting did not lead to recognition of additional identifiable assets and liabilities. The purchase consideration, net of cash acquired, amounted to €3 million resulting in the recognition of a goodwill of €2.9 million. An amount of €2.5 million was already cashed-out in 2011. At 31 December 2012, the contingent consideration based on a variable performance component included an earn-out mechanism assessed for an amount of €0.5 million. In 2013, an agreement related to the earn-out mechanism was signed, and resulted in a payment (€0.5 million) and in a re-measurement of €(0.3) million. At 31 December 2013, the deferred consideration payable amounts to €0.3 million;
- On 2 August 2012, the Group acquired 25 per cent of Apareo Holding GmbH which came in addition to the 50 per cent previously held. The business was launched in 2012 and was based on the development of system solutions for sport organisations, clubs and associations in order to monetise the attractiveness of their brand from an online virtual market place. The transaction qualified as a business combination since RTL Group gained the control of Apareo. The purchase consideration, net of cash acquired, amounted to €2.3 million resulting in the recognition of a goodwill of €2 million. In addition to a capital increase of €0.3 million, an amount of €1.1 million was already cashed-out in 2011. At 31 December 2012, the contingent consideration based on a variable performance component included an earn-out mechanism fully recognised for an amount of €0.6 million. On 12 August 2013, RTL Group acquired the remaining 25 per cent from the non-controlling shareholders. The acquisition has been accounted for as equity transaction. At 31 December 2013, the accounts of Apareo Holding GmbH and Apareo Deutschland GmbH have been prepared using the liquidation basis. The contingent consideration based on the earn-out mechanism has been re-measured to nil. Apareo entities are part of the cash-generating unit UFA Sports (see note 8.2.);
- On 11 October 2012, RTL Group acquired 100 per cent of Videostrip B.V., the largest online video advertising network in the Netherlands. The transaction fits the Group's strategy to invest in digital advertising and content delivery technologies. The transaction qualified as a business combination since RTL Group gained the control of Videostrip. The purchase accounting led to no recognition of additional fair values directly attributable to the net assets acquired. The purchase consideration, net of cash acquired, amounted to €3.5 million resulting in the recognition of a goodwill of €3.4 million. The earn-out mechanism for an amount of €3 million had not been recognised;
- On 31 October 2012, RTL Group acquired Tom's Games internet sites (*JeuxvideoPC.com* and *Jeuxvideo-flash.com*). The transaction contributed to extend the creative capabilities of the Group. The transaction qualified as a business combination since RTL Group gained the control of Tom's Games. The purchase consideration, net of cash acquired, amounted to €3.1 million resulting in the recognition of a provisional goodwill of €3.1 million. At 31 December 2012, the contingent consideration based on a variable performance component included the first earn-out mechanism fully recognised for an amount of €0.5 million. The purchase accounting finalised in 2013 led to no recognition of additional fair values directly attributable to the net assets acquired.

6. 3. Assets and liabilities acquired

Details of the net assets acquired and goodwill are as follows:

	2013 €m	2012 €m
Purchase consideration:		
– Cash paid	**88**	8
– Payments on prior years' acquisitions	**(44)**	(3)
– Contingent consideration	**9**	2
– Prior year's payments on acquisitions	**–**	4
– Purchase price adjustment	**–**	1
Total purchase consideration	**53**	12
Less:		
Fair value of net assets acquired	**(7)**	(1)
Goodwill (see note 6.2.)	**46**	11

6. 4. Cash outflow on acquisitions

The net assets and liabilities arising from the acquisitions are as follows:

	2013 Fair value €m	2012 Fair value €m
Cash and cash equivalents	**9**	–
Property, plant and equipment	**1**	–
Other intangible assets	**3**	1
Current programme rights	**16**	–
Accounts receivable and other financial assets	**12**	1
Accounts payable	**(28)**	(1)
Interest-bearing loans payable and borrowings	**(2)**	–
Non-controlling interests	**(4)**	–
Net assets acquired	**7**	1
Goodwill	**46**	11
Total purchase consideration	**53**	12
Less:		
Contingent consideration	**(9)**	(2)
Payments on prior years' acquisitions	**44**	3
Purchase price adjustment	**–**	(1)
Prior year's payments on acquisitions	**–**	(4)
Cash and cash equivalents in operations acquired	**(9)**	–
Cash outflow on acquisitions (see note 6.2.)	**79**	8

6. 5. Disposals

There were no significant disposals in either 2013 or 2012.

7. DETAILS ON CONSOLIDATED INCOME STATEMENT

7. 1. Revenue

	2013 €m	%	2012 €m	%
Spot advertising sales	**3,150**	**53**	3,146	53
Bartering advertising revenue	**59**	**1**	53	1
Other advertising sales	**221**	**4**	198	3
Advertising sales, net of agency commissions	**3,430**	**58**	3,397	57
Net films, programmes and other rights – sold or licensed	**1,705**	**29**	1,774	30
Sales of merchandise and consumer services	**504**	**9**	555	9
Professional services	**250**	**4**	272	4
	5,889	**100**	5,998	100

7. 2. Other operating expenses

	Notes	2013 €m	2012 €m
Employee benefits expenses	7. 2. 1.	**960**	958
Intellectual property expenses		**332**	335
External cost of live programmes		**270**	289
Consumption of other inventories		**250**	283
Expenses for subcontract production		**146**	177
Other marketing, promotion and public relations costs		**129**	121
External cost of transmitting		**120**	126
Rental costs		**84**	93
Operating taxes		**70**	74
Repairs and maintenance		**58**	55
Marketing and promotion costs – barter		**54**	50
Audit, consulting and legal fees (1)		**52**	56
Other distribution expenses		**35**	36
Commissions on sales		**13**	15
Administration and sundry expenses		**114**	122
		2,687	2,790

(1) Fees related to PricewaterhouseCoopers ("PwC"), the Group's auditor and their affiliates regarding the continuing operations, are set out below:

	2013 €m PwC	2012 €m PwC
Audit services pursuant to legislation	**2.7**	2.7
Other audit-related services	**0.8**	0.7
Other services relating to taxation	**0.1**	0.1
Other services	**0.5**	0.3
	4.1	3.8

7. 2. 1. Employee benefits expenses

	2013 €m	2012 €m
Wages and salaries	**731**	712
Termination benefits	**14**	28
Social security costs	**157**	155
Share options granted to employees	**5**	5
Pension costs	**12**	16
Other employee expenses	**41**	42
	960	958
Of which restructuring costs	**5**	7

The amounts set out above exclude personnel costs of €210 million (2012: €242 million), that are capitalised and that represent costs of employees directly allocated to the production of assets.

In addition to other short-term bonus schemes, RTL Group has implemented for its senior management a long-term incentive plan (“LTIP”) which runs for the term 2011 to 2013. The LTIP aims to reward RTL Group’s senior management for entrepreneurial performance and to get their long-term commitment to the Group. The performance targets and beneficiaries of the LTIP have been approved by the Nomination and Compensation Committee of RTL Group. These performance targets are based upon RTL Group’s Value Added (“RVA”).

The RVA is the difference between net operating profit after tax (NOPAT), defined as EBITA adjusted for a uniform tax rate of 33 per cent, and cost of capital. Cost of capital is the product of the weighted average cost of capital (a uniform 8 per cent after taxes) and invested capital (operating assets less non-interest-bearing operating liabilities as reported in note 5.1.). The present value of operating leases is also taken into account when calculating the invested capital.

As at 31 December 2013, the liability related to this LTIP has been assessed on the basis of the achievement of performance targets and amounts to €33 million (2012: €30 million). Groupe M6 operates a specific long-term incentive plan based on free shares plans (see note 8.15.7.).

Pension costs relate to defined contributions for €10 million (2012: €9 million) and defined benefit plans for €2 million (2012: €7 million) (see note 8.14.).

An analysis of the average number of employees for undertakings held by the Group is set out opposite:

	2013 €m	2012 €m
Employees of fully consolidated undertakings	**9,714**	9,502
Employees of joint ventures	**93**	88
	9,807	9,590
Employees of Alpha (1)	**–**	*78*

(1) Discontinued operations (see note 4.)

“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:

2013

- Gain on disposal of arvato systems S4M GmbH (see note 8.4.): €4 million
- Gain on disposal of Radio Regenbogen Hörfunk in Baden GmbH & Co. KG and AVE V Vermögensverwaltungsgesellschaft mbH (see note 8.4.): €1 million

2012

- Loss on partial disposal in Atresmedia (formerly Grupo Antena 3): €(8) million

7. 4. Net interest income / (expense)

	2013 €m	2012 €m
Interest income on loans and accounts receivable	**8**	11
Interest income	**8**	11
Interest expense on financial liabilities	**(22)**	(9)
Tax-related interest expense	**(2)**	(2)
Interest on defined benefit obligations (1)	**(3)**	(5)
Interest expense on other employee benefit liabilities	**(3)**	(5)
Interest expense	**(30)**	(21)
Net interest expense	**(22)**	(10)

(1) Of which (see note 8.14.):
- Interest income on plan assets: €4 million (2012: €4 million)
- Unwind of discount on defined benefit obligations: €(7) million (2012: €(9) million)

"Interest income on loans and accounts receivable" includes an amount of €0.3 million (2012: €3 million) in respect of deposits to Bertelsmann SE & Co. KGaA (see note 10.1.).

"Interest expense on financial liabilities" includes an amount of €12 million (2012: nil) in respect of the loans from Bertelsmann SE & Co. KGaA (see note 10.1.).

7. 5. Financial results other than interest

	2013 €m	2012 €m
Net gain / (loss) on disposal and impairment on available-for-sale investments (see note 8.5.)	**43**	1
Cash flow hedges ineffectiveness (see note 3.)	**–**	(8)
Net gain on other financial instruments at fair value through profit or loss (see note 8.5.)	**21**	6
Other financial results	**5**	–
	69	(1)

7. 6. Income tax expense

	2013 €m	2012 €m
Current tax expense	**(310)**	(271)
Deferred tax expense	**5**	(6)
	(305)	(277)

The income tax on the Group profit before tax differs from the theoretical amount that would arise using the Luxembourg tax rate as follows:

	2013 €m	%	2012 €m	%
Profit before taxes (continuing operations)	**1,253**		968	
Income tax rate applicable in Luxembourg		**29.22**		28.80
Tax calculated at domestic tax rate applicable to profits in Luxembourg	**366**		279	
Effects of tax rate in foreign jurisdictions and German trade tax	**52**		63	
Tax calculated at domestic tax rate applicable to profits in the respective countries	**418**	**33.40**	342	35.30
Non deductible expenses	**34**		40	
Tax exempt revenue	**(126)**		(40)	
Commission received in relation to the Compensation Agreement (see note 10.1.)	**(52)**		(69)	
Tax incentives not recognised in the income statement	**(9)**		(10)	
Effect of tax losses for which no deferred tax assets are recognised	**49**		14	
Tax expense before adjustments on prior years	**314**	**25.10**	277	28.60
Current tax adjustments on prior years	**5**		4	
Deferred tax adjustments on prior years	**(14)**		(4)	
Income tax expense	**305**	**24.30**	277	28.60

Effect of tax rates in foreign jurisdictions mainly results from the differentiated rates applicable in the following countries:

- Germany, where the official tax rate is 32.5 per cent, representing an impact of €20 million (2012: €21 million);
- France, where several tax rates apply, depending on the size of the business. The rates of 38, 34.43 and 33.33 per cent apply respectively, representing an impact of €26 million (2012: €27 million).

In 2013, non deductible expenses include exceptional contribution on dividends and withholding taxes for €12 million. In 2012, non deductible expenses mainly related to impairment losses on goodwill of Atresmedia (€22 million).

Tax exempt revenue mainly relates, in 2013, to an impairment charge, recorded in the statutory accounts of the Company towards a fully consolidated entity, resulting in a tax exempt revenue of €73 million, to the reversal of the impairment on Atresmedia for €22 million (see note 8.4.), to capital gains and fair value changes for €8 million (2012: €25 million) and to the share of results of associates for €10 million (2012: €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 tax adjustments on prior years relate solely to changes in the amortisation policy of certain film rights following the finalisation of a tax audit in Germany.

7. 7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €870 million (2012: €597 million) and a weighted average number of ordinary shares outstanding during the year of 153,618,853 (2012: 153,618,853), calculated as follows:

	Continuing operations	**Discontinued operations**	**2013**	Continuing operations	Discontinued operations	2012
Profit/(loss) attributable to RTL Group shareholders (in € million)	**870**	**–**	**870**	598	(1)	597
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
Effect of treasury shares held (note 8.15.2.)	**(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
Basic earnings per share (in €)	**5.67**	**–**	**5.67**	3.89	(0.01)	3.88
Diluted earnings per share (in €)	**5.67**	**–**	**5.67**	3.89	(0.01)	3.88

8. DETAILS ON 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 €m	Goodwill €m	Other intangible assets €m
Cost						
Balance at 1 January 2012	**625**	**1,026**	**31**	**1,682**	**4,977**	**402**
Effect of movements in foreign exchange	(4)	(1)	–	(5)	6	3
Additions	9	30	62	101	–	25
Disposals	(1)	(63)	–	(64)	–	(29)
Subsidiaries and joint ventures acquired (1)	–	–	–	–	11	1
Transfers and other changes	13	33	(46)	–	–	3
Balance at 31 December 2012	**642**	**1,025**	**47**	**1,714**	**4,994**	**405**
Effect of movements in foreign exchange	(15)	(5)	–	(20)	(16)	(3)
Additions	3	46	47	96	–	32
Disposals	(2)	(20)	(1)	(23)	–	(10)
Subsidiaries and joint ventures acquired (1)	–	–	–	–	46	3
Transfer to assets classified as held for sale (2)	–	–	–	–	–	(16)
Transfers and other changes	26	31	(60)	(3)	–	–
Balance at 31 December 2013	**654**	**1,077**	**33**	**1,764**	**5,024**	**411**
Amortisation and impairment losses						
Balance at 1 January 2012	**(604)**	**(955)**	**(4)**	**(1,563)**	**(2,315)**	**(201)**
Effect of movements in foreign exchange	4	1	–	5	–	(1)
Amortisation charge for the year	(19)	(74)	–	(93)	–	(26)
Impairment losses recognised for the year	(2)	(1)	–	(3)	–	(1)
Reversal of impairment	–	1	–	1	–	–
Disposals	1	63	–	64	–	29
Transfers and other changes	(1)	–	–	(1)	–	(3)
Balance at 31 December 2012	**(621)**	**(965)**	**(4)**	**(1,590)**	**(2,315)**	**(203)**
Effect of movements in foreign exchange	15	5	–	20	–	1
Amortisation charge for the year	(14)	(86)	–	(100)	–	(28)
Impairment losses recognised for the year	(1)	–	–	(1)	–	(1)
Reversal of impairment	–	1	–	1	–	–
Disposals	1	19	–	20	–	9
Transfer to assets classified as held for sale (2)	–	–	–	–	–	9
Balance at 31 December 2013	**(620)**	**(1,026)**	**(4)**	**(1,650)**	**(2,315)**	**(213)**
Carrying amount:						
At 31 December 2012	**21**	**60**	**43**	**124**	**2,679**	**202**
At 31 December 2013	**34**	**51**	**29**	**114**	**2,709**	**198**

(1) See note 6.2. and 6.3.
(2) See note 8.10.

Other intangible assets include mainly:

- Brands for an amount of €123 million (2012: €126 million) (Mistergooddeal (2012, only), M6 and Hungarian language cable channels);
- Customer relationships for an amount of €10 million (2012: €16 million) (Groupe M6, Netzathleten.net, M-RTL and Hungarian language cable channels);
- Technology for an amount of €2 million (BroadbandTV, see note 6.2.).

No impairment loss has been recognised in 2013 regarding intangible assets recognised at fair value at the time of the gain of control by RTL Group (disposal group excluded, see note 8.10.).

The M6 brand is considered to have an indefinite useful life and was recognised for an amount of €120 million. At 31 December 2013, an impairment test was performed and did not lead to any impairment.

In determining that the M6 brand has an indefinite useful life, management have 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 have determined and confirmed at 31 December 2013 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 business units (see note 5.) and at the level at which cash flows are generated. Ludia and Radical Media, part of the business unit FremantleMedia, conduct specific and separate businesses that generate independent cash flows and therefore qualify as separate cash generating units.

All business units and cash-generating units mainly operate in one country, except BroadbandTV (see note 6.2.), FremantleMedia, Ludia, Radical Media and UFA Sports, which are multi-territory/worldwide operations.

	31 December 2013 €m	31 December 2012 €m
Mediengruppe RTL Deutschland	**883**	883
Groupe M6	**421**	419
FremantleMedia	**971**	968
Ludia	**31**	35
Radical Media	**35**	37
RTL Nederland	**153**	138
RTL Belgium	**32**	32
RTL Radio (France)	**65**	65
Other segments		
– Hungarian language cable channels and M-RTL	**78**	83
– BroadbandTV	**21**	–
– German radio	**17**	17
– UFA Sports	**2**	2
Total goodwill on cash-generating units	**2,709**	2,679

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 credit premium, gearing ratio and specific risk);
- 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 was not used by the Group in determining the recoverable amount of cash-generating units at 31 December 2013. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used (see note 3.3.2.).

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 below.

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;
- Specific firm premium;
- Credit spread due to the financial situation; and
- Gearing ratio of the CGU.

Management consider that, at 31 December 2013, 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, FremantleMedia, Radical Media and Hungarian language cable channels and M-RTL excepted.

The value in use exceeds the carrying value of FremantleMedia by €190 million. The following changes in assumptions would individually cause the recoverable amount to fall below the carrying value:

- a reduction in the revenue by 1.2 per cent or more annually;
- a reduction in the EBITA margin by approximately 1 per cent or more annually;
- an increase in the discount rate by 0.8 per cent, over and above the current rate.

The value in use exceeds the carrying value of Radical Media by €4 million. The following changes in assumptions would individually cause the recoverable amount to fall below the carrying value:

- a reduction in the revenue by 0.9 per cent or more annually;
- a reduction in the EBITA margin by approximately 0.2 per cent or more annually;
- an increase in the discount rate from the 0.5 per cent, over and above the current rate.

The value in use exceeds the carrying value of the Hungarian language cable channels and M-RTL by €29 million. The following changes in assumptions would individually cause the recoverable amount to fall below the carrying value:

- a reduction in the revenue by 6.2 per cent or more annually;
- a reduction in the EBITA margin by approximately 3 per cent or more annually;
- an increase in the discount rate from the 1.9 per cent, over and above the current rate.

	2013		2012	
	Perpetual growth rate % a year	**Discount rate %**	Perpetual growth rate % a year	Discount rate %
Cash-generating units				
Mediengruppe RTL Deutschland	**2.0**	**7.6**	2.0	7.6
Groupe M6	**2.5**	**7.6**	2.5	8.3
FremantleMedia	**3.0**	**7.7**	3.0	7.8
Ludia	**2.0**	**12.1**	–	–
Radical Media	**2.0**	**8.0**	2.0	8.0
RTL Nederland	**2.0**	**7.6**	2.0	8.3
RTL Belgium	**2.0**	**7.6**	2.0	8.3
RTL Radio (France)	**2.0**	**6.7**	2.0	6.4
Other segments				
– German radio	**2.0**	**6.7**	2.0	6.5
– BroadbandTV	**2.0**	**13.7**	–	–
– Hungarian language cable channels and M-RTL	**2.0**	**12.9**	2.0	12.6
– UFA Sports	**2.5**	**7.7**	2.0	7.8

No impairment loss on goodwill was recorded in 2013.

2012

No impairment loss on goodwill was recorded in 2012.

8. 3. Property, plant and equipment

	Land, buildings and improvements €m	Technical equipment €m	Other €m	Total €m
Cost				
Balance at 1 January 2012	**341**	**289**	**218**	**848**
Effect of movements in foreign exchange	1	1	–	2
Additions	17	20	28	65
Disposals (1)	(15)	(15)	(23)	(53)
Transfers and other changes	29	7	(35)	1
Balance at 31 December 2012	**373**	**302**	**188**	**863**
Effect of movements in foreign exchange	(1)	(3)	(2)	(6)
Additions	5	19	34	58
Disposals (2)	(2)	(4)	(9)	(15)
Subsidiaries and joint ventures acquired (3)	–	1	–	1
Transfer to assets classified as held for sale (4)	(3)	–	(1)	(4)
Transfers and other changes	1	3	(2)	2
Balance at 31 December 2013	**373**	**318**	**208**	**899**
Depreciation and impairment losses				
Balance at 1 January 2012	**(153)**	**(207)**	**(130)**	**(490)**
Effect of movements in foreign exchange	–	(1)	–	(1)
Depreciation charge for the year	(16)	(29)	(22)	(67)
Disposals (1)	5	15	22	42
Transfers and other changes	(2)	(1)	2	(1)
Balance at 31 December 2012	**(166)**	**(223)**	**(128)**	**(517)**
Effect of movements in foreign exchange	1	2	1	4
Depreciation charge for the year	(15)	(30)	(21)	(66)
Impairment losses recognised for the year	–	–	(1)	(1)
Disposals (2)	–	4	8	12
Transfer to assets classified as held for sale (4)	2	–	1	3
Transfers and other changes	–	–	(2)	(2)
Balance at 31 December 2013	**(178)**	**(247)**	**(142)**	**(567)**
Carrying amount:				
At 31 December 2012	**207**	**79**	**60**	**346**
At 31 December 2013	**195**	**71**	**66**	**332**

(1) A building owned in London was disposed of in 2012 for €21 million, net of transaction costs. The related capital gain amounted to €14 million ("Other operating income")
(2) Following the receipt of the building permit, the construction of new buildings next to the existing premises in Luxembourg started. Once the vertical cadaster was signed on 19 December 2013, the Group has recognised a capital gain of €19 million following the contribution of some properties to a Group company in which control ceased according to IFRS criteria ("Other operating income")
(3) See notes 6.2. and 6.3.
(4) See note 8.10.

Net tangible assets held under finance leases at 31 December 2013 amount to €1 million (2012: €3 million).

8. 4. Investments in associates

	2013 €m	2012 €m
Balance at 1 January	**251**	356
Share of results of associates	**102**	(53)
Dividend distribution	**(24)**	(38)
Change in ownership interest and other changes	**7**	(11)
Transfer to assets classified as held for sale	**–**	(3)
Balance at 31 December	**336**	251

Investments in associates mainly include Atresmedia and RTL 2. On 6 March 2013, Grupo Antena 3 was renamed Atresmedia.

The main change in ownership on associates for the year is as follows:

- On 15 January 2013, once the approvals of the competition and media authorities were received, the disposal of the 16 per cent stake of Radio Regenbogen Hörfunk in Baden GmbH & Co. KG (directly held by the associated company AVE I Vermögensverwaltungsgesellschaft mbH & Co. KG and indirectly through AVE V Vermögensverwaltungsgesellschaft mbH also disposed of) was completed. The capital gain and sale proceeds amounted to €1 million at 31 December 2013. These entities had been classified as assets held for sale (€3 million) at 31 December 2012. At 31 December 2013, AVE I Vermögensverwaltungsgesellschaft mbH & Co. KG and its parent company, AVE VI Vermögensverwaltungsgesellschaft mbH & Co. KG, are classified as assets held for sale (€ nil million); the disposal of both companies is planned for the first quarter of 2014;
- On 22 April 2013 and on 9 September 2013, RTL Group acquired shares in Style Haul Inc. ('Style Haul'), the leading online video network for fashion and beauty. The Group also contributed €1 million to a convertible loan issued in December 2013. The interest held by RTL Group at 31 December 2013 is 26.1 per cent on a non-diluted basis and, without considering the convertible loan, 21.0 per cent on a diluted basis;
- On 10 September 2013, RTL Group disposed of the remaining 19.8 per cent held in arvato systems S4M GmbH to arvato systems GmbH. The transaction resulted from the exercise, by arvato systems GmbH, of the call option granted in January 2006 when RTL Group disposed of the first 80.2 per cent interest held in arvato systems S4M GmbH. The capital gain and sale proceed amounted to €4 million at 31 December 2013.

Investments in associates are tested for impairment according to the same methodology applied for the impairment test of goodwill (see note 8.2.).

	2013 Perpetual growth rate % a year	2013 Discount rate %	2012 Perpetual growth rate % a year	2012 Discount rate %
Main associates				
Atresmedia	2.0	11.2	2.0	10.7
RTL 2	2.0	7.6	2.0	8.3

The recoverable amount of Atresmedia has been determined on the basis of the fair value less costs to sell at 31 December 2013. Following the increase of the share price of Atresmedia on the Madrid Stock Exchange, management consequently recorded the full reversal of impairment of investment in associate of €72 million recognised at 31 December 2012 against the carrying amount of Atresmedia (€249 million at 31 December 2013). Had the stock price of Atresmedia have been 10 per cent lower at 31 December 2013, the reversal on impairment in associate would not have been affected.

An impairment loss of €4 million, related to RTL 9, an associate, has been recognised in 2013.

The investment in the associate AdSociety has been presented as held for sale following the decision of the Group's management to dispose of this asset in 2014. AdSociety was fully impaired at 31 December 2012 (€(18) million, of which €(10) million losses recognised in 2012).

Share of results of associates

	2013 €m	2012 €m
Share of result after tax	**34**	29
Impairment of investments in associates	**68**	(82)
	102	(53)

Atresmedia and RTL 2 mainly contributed in 2013 to the "Share of results of associates" for €82 and €15 million, respectively (2012: €(66) and €13 million, respectively).

The summarised financial information on the main associates of the Group, on a 100 per cent basis, is as follows:

2013

	Country of incorporation	Assets €m	Liabilities €m	Equity €m	Revenue €m	Profit for the year €m	Interest held %
Atresmedia	Spain	1,261	877	384	830	46	20.5
RTL 2 GmbH & Co. KG	Germany	114	60	54	308	42	35.8

2012

	Country of incorporation	Assets €m	Liabilities €m	Equity €m	Revenue €m	Profit for the year €m	Interest held %
Atresmedia	Spain	1,174	838	336	741	32	20.5
RTL 2 GmbH & Co. KG	Germany	109	60	49	285	37	35.8

Based on the published share price at 31 December 2013, the market capitalisation of 100 per cent of Atresmedia amounts to €2,713 million, i.e. €12.02 per share (2012: €880 million, i.e. €3.90 per share).

8. 5. Loans and other financial assets

	2013 €m	2012 €m
Available-for-sale investments (see note 8.15.5.)	**65**	116
Surplus of the defined benefit plans (see note 8.14.)	**7**	6
Loans and other financial assets	**44**	86
	116	208

On 13 January 2012, Groupe M6 disposed of its 9.1 per cent interest in Summit Entertainment following the sale of the studio to Lions Gate. Groupe M6 recognised a capital gain from the disposal of €20 million presented in "Financial results other than interest" in 2012 (see note 7.5.) and received a 0.4 per cent interest in Lions Gate. This available-for-sale investment is listed on the New York Stock Exchange and was presented in Level 1 according to the IFRS 7 guidance. During the year 2013, Groupe M6 disposed of all the shares held for €11 million and recognised a capital gain of €8 million.

During the second half of 2013, RTL Group disposed of non-current and current non-monetary investments classified in available-for-sale investments and in other financial assets generating a capital gain of €49 million and a cash inflow of €147 million. These financial assets were presented in Level 2 according to the IFRS 7 guidance.

"Loans and other financial assets" include €20 million placed during the first half of 2012 under an escrow account by the Football Club des Girondins de Bordeaux for the benefit of the city of Bordeaux. This amount bears interest of 1.6 per cent per annum up until the delivery of the new stadium, which is expected in 2015. At that time the amount will be paid to the partners in charge of the construction.

Since April 2000, FremantleMedia has arrangements in relation to sale and lease back transactions (see note 9.4.). At 31 December 2013, three banks did not satisfy the required credit ratings. The related amounts are recognised for €28 million in the consolidated statement of financial position, of which €10 million with a maturity of less than one year. The restricted bank accounts are reported in other financial assets with counterpart in bank loans payable (see note 8.11.).

A reversal of impairment loss has been recorded in 2013 for an amount of €1 million (2012: €1 million).

The movements in available-for-sale investments are as follows:

	2013 €m	2012 €m
Balance at 1 January	**116**	106
Net acquisitions and disposals	**(45)**	7
Change in fair value	**(4)**	14
Impairment losses and other changes	**(2)**	(11)
Balance at 31 December	**65**	116

8. 6. Deferred tax assets and liabilities

	2013 €m	2012 €m
Deferred tax assets	**392**	377
Deferred tax liabilities	**(58)**	(62)
	334	315

	2013 €m	2012 €m
Balance at 1 January	**315**	304
Income tax expense	**5**	(6)
Income tax credited/(charged) to equity (1)	**14**	17
Balance at 31 December	**334**	315

(1) Of which:
- € nil million (2012: €(3) million) related to derivatives on equity instruments;
- € nil million (2012: €1 million) related to share options granted to employees;
- €7 million (2012: €6 million) related to effective portion of changes in fair value of cash flow hedges;
- €5 million (2012: €8 million) related to change in fair value of cash flow hedges transferred to profit or loss;
- €(1) million (2012: €6 million) related to defined benefit plan actuarial gains/(losses); and
- €3 million (2012: €(1) million) related to change in fair value of available-for-sale investments.

The Group has deductible temporary differences originating from an intra-group transaction which will mainly reverse during the next six years.

Unrecognised deferred tax assets amount to € 1,603 million at 31 December 2013 (2012: € 1,557 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 is probable. The Group has unrecognised tax losses of € 5,522 million (2012: € 5,370 million) to carry forward against future taxable income which relate to Luxembourg and Hungary (2012: Luxembourg and Hungary) and have no expiry date.

The movement in deferred tax assets and liabilities during the year is as follows:

	Balance at 1 January 2013 €m	(Charged) / credited to income statement €m	Charged to equity €m	Transfers and other changes €m	**Balance at 31 December 2013 €m**
Deferred tax assets					
Intangible assets	139	(19)	–	(2)	118
Programme rights	152	30	–	2	184
Property, plant and equipment	2	–	–	–	2
Provisions	85	5	(1)	–	89
Tax losses (see note 7.6.)	39	(4)	–	–	35
Others	38	(2)	–	–	36
Set off of tax	(78)	–	–	6	(72)
	377	**10**	**(1)**	**6**	**392**
Deferred tax liabilities					
Intangible assets	(71)	–	–	–	(71)
Property, plant and equipment	(16)	1	–	–	(15)
Provisions	(8)	(1)	–	–	(9)
Others	(45)	(5)	15	–	(35)
Set off of tax	78	–	–	(6)	72
	(62)	**(5)**	**15**	**(6)**	**(58)**

	Balance at 1 January 2012 €m	(Charged) / credited to income statement €m	Charged to equity €m	Transfers and other changes €m	**Balance at 31 December 2012 €m**
Deferred tax assets					
Intangible assets	159	(20)	–	–	139
Programme rights	132	20	–	–	152
Property, plant and equipment	1	1	–	–	2
Provisions	75	4	6	–	85
Tax losses (see note 7.6.)	44	(5)	–	–	39
Others	19	(6)	25	–	38
Set off of tax	(69)	–	–	(9)	(78)
	361	**(6)**	**31**	**(9)**	**377**
Deferred tax liabilities					
Intangible assets	(70)	(1)	–	–	(71)
Property, plant and equipment	(17)	2	–	(1)	(16)
Provisions	(7)	(1)	–	–	(8)
Others	(32)	–	(14)	1	(45)
Set off of tax	69	–	–	9	78
	(57)	**–**	**(14)**	**9**	**(62)**

Deferred tax assets and liabilities are offset against each other if they relate to the same tax authority and meet the criteria of offsetting. The term of the deferred taxes on temporary differences is mostly expected to be recovered or settled more than 12 months from the balance sheet date.

8. 7. Current programme rights

	2013 Gross value €m	2013 Valuation allowance €m	2013 Net value €m	2012 Gross value €m	2012 Valuation allowance €m	2012 Net value €m
(Co-)productions	**346**	**(317)**	**29**	354	(314)	40
TV programmes	**92**	**(1)**	**91**	54	–	54
Other distribution and broadcasting rights	**820**	**(258)**	**562**	813	(251)	562
Sub-total programme rights	**1,258**	**(576)**	**682**	1,221	(565)	656
(Co-)productions and programmes in progress	**167**	**(5)**	**162**	142	(9)	133
Advance payments on (co-)productions, programmes and rights	**118**	**(1)**	**117**	118	(1)	117
Sub-total programme rights in progress	**285**	**(6)**	**279**	260	(10)	250
	1,543	**(582)**	**961**	1,481	(575)	906

Additions and reversals of valuation allowance have been recorded for €(96) million and €75 million respectively in 2013 (2012: €(107) million and €60 million, respectively).

8. 8. Accounts receivable and other financial assets

	2013 Under 1 year €m	2013 Over 1 year €m	2013 Total €m	2012 Under 1 year €m	2012 Over 1 year €m	2012 Total €m
Trade accounts receivable	**1,086**	**3**	**1,089**	1,115	5	1,120
Accounts receivable from associates	**19**	**–**	**19**	22	–	22
Loan receivable to associates (see notes 3.3.1., 8.4.)	**1**	**–**	**1**	–	–	–
Prepaid expenses	**86**	**–**	**86**	98	–	98
Fair value of derivative assets	**16**	**6**	**22**	20	22	42
Current deposit with shareholder (1) (see note 10.1.)	**–**	**–**	**–**	426	–	426
Other current financial assets (see note 3.3.1.)	**12**	**–**	**12**	82	–	82
Account receivable from shareholder in relation with PLP Agreement (see note 10.1.)	**390**	**–**	**390**	122	–	122
Other accounts receivable	**116**	**16**	**132**	120	4	124
	1,726	**25**	**1,751**	2,005	31	2,036

(1) Including accrued interests

The dividend pay-out of €1.6 billion on 7 March 2013 was funded by the Group's deposit (€426 million at 31 December 2012) and by debt in the form of shareholder loans from Bertelsmann (see note 10.).

Following the exercise of its put option and the disposal of its 7.5 per cent stake held in National Media Group ("NMG"), RTL Group has received, on 19 September 2013, €81 million for this financial instrument which was designated at fair value through profit or loss. RTL Group also disposed of some non-monetary financial investments during the third quarter (see note 8.5.).

Additions and reversals of valuation allowance have been recorded for €(27) million and €20 million respectively in 2013 (2012: €(32) million and €22 million, respectively).

8. 9. Cash and cash equivalents

	2013 €m	2012 €m
Cash in hand and at bank	**196**	204
Fixed term deposits (under three months)	**327**	225
Other cash equivalents	**51**	221
Cash and cash equivalents (excluding bank overdrafts)	**574**	650

	2013 €m	2012 €m
Cash and cash equivalents (excluding bank overdrafts)	**574**	650
Bank overdrafts (see note 8.11.)	**(2)**	(5)
Cash and cash equivalents	**572**	645

"Other cash equivalents" include money market funds for €51 million (2012: €221 million).

The current deposit with the shareholder was 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

Groupe M6 announced on 18 December 2013 to have entered into advanced negotiations with the Darty Group plc for the sale of all shares held in Mistergooddeal SA. Accordingly, Mistergooddeal is presented as a disposal group held for sale.

At 31 December 2013, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	2013 €m
Non-current assets classified as held for sale, disposal group	
Non-current assets	
Other intangible assets	**7**
Property, plant and equipment	**1**
Current assets	
Other inventories	**11**
Accounts receivable and other financial assets	**13**
Cash and cash equivalents	**5**
Impairment of disposal group (1)	**(10)**
	27
Liabilities directly associated with non-current assets classified as held for sale	
Current liabilities	
Accounts payable	**23**
Provisions	**1**
	24

(1) The impairment losses amounting to €10 million have been applied to reduce the carrying amount of the assets within the disposal group. These losses include impairment of non-current assets for €8 million, of which impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures for €2 million

There is no cumulative income or expenses included in OCI relating to the disposal group.

The non-recurring fair value measurement for the disposal group of €3 million has been categorised as a Level 3 fair value (see note 3.3.2.) based on the valuation retained for the ongoing negotiation.

8. 11. Loans and bank overdrafts

	2013 €m	2012 €m
Current liabilities		
Bank overdrafts	**2**	5
Bank loans payable (see note 8.5.)	**14**	3
Loans payable from associates	**4**	–
Leasing liabilities	**1**	2
Term loan facility due to shareholder (see note 10.1.)	**12**	–
Other current loans payable	**4**	6
	37	16
Non-current liabilities		
Bank loans payable (see note 8.5.)	**18**	–
Leasing liabilities	**–**	5
Term loan facility due to shareholder (see note 10.1.)	**500**	–
Other non-current loans payable	**12**	8
	530	13

Term and debt repayment schedule

2013	Under 1 year €m	1–5 years €m	Over 5 years €m	Total carrying amount €m
Bank overdrafts	2	–	–	**2**
Bank loans payable (see note 8.5.)	14	18	–	**32**
Loans payable from associates	4	–	–	**4**
Leasing liabilities	1	–	–	**1**
Term loan facility due to shareholder (see note 10.1.)	12	–	500	**512**
Other loans payable	4	6	6	**16**
	37	**24**	**506**	**567**

2012	Under 1 year €m	1–5 years €m	Over 5 years €m	Total carrying amount €m
Bank overdrafts	5	–	–	5
Bank loans payable (see note 8.5.)	3	–	–	3
Leasing liabilities	2	5	–	7
Other loans payable	6	3	5	14
	16	**8**	**5**	**29**

8. 12. Accounts payable

	2013 €m	2012 €m
Current accounts payable		
Trade accounts payable	**1,377**	1,271
Amounts due to associates	**4**	3
Employee benefits liability	**184**	141
Deferred income	**101**	121
Social security and other taxes payable	**76**	75
Fair value of derivative liabilities	**23**	13
Account payable to shareholder in relation with PLP agreement (see note 10.1.)	**481**	191
Other accounts payable	**292**	331
	2,538	2,146

	2013 1–5 years €m	2013 Over 5 years €m	2013 Total €m	2012 1–5 years €m	2012 Over 5 years €m	2012 Total €m
Non-current accounts payable						
Trade accounts payable	**50**	**6**	**56**	48	6	54
Employee benefits liability	**3**	**197**	**200**	32	180	212
Deferred income	**2**	**1**	**3**	2	1	3
Fair value of derivative liabilities	**14**	**–**	**14**	6	–	6
Other accounts payable	**42**	**16**	**58**	28	26	54
	111	**220**	**331**	116	213	329

8. 13. Provisions

8. 13. 1. Provisions other than post-employment benefits

	Restructuring €m	Litigations €m	Onerous contracts €m	Other provisions €m	Total €m
Balance at 1 January 2013	5	113	122	22	262
Provisions charged/(credited) to the income statement:					
– Additions	1	13	67	2	83
– Reversals	–	(16)	(12)	(5)	(33)
Provisions used during the year	(4)	(11)	(64)	–	(79)
Other changes	–	2	–	(6)	(4)
Balance at 31 December 2013	**2**	**101**	**113**	**13**	**229**

The provisions mainly relate to the following:

- 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" mainly comprise provisions made by Mediengruppe RTL Deutschland for €63 million (2012: €76 million) and €49 million by Groupe M6 (2012: €39 million) in relation to the supply of programmes, of which sport events (2013: €28 million; 2012: €31 million). Out of €67 million of provisions recorded during the year €55 million relate to programmes such as movies and series and €12 million to sport events.

	2013 €m	2012 €m
Current	**193**	219
Non-current	**36**	43
	229	262

8. 13. 2. Post-employment benefits

	2013 €m	2012 €m
Balance at 1 January	**133**	99
Provisions charged/(credited) to the income statement:		
– Additions (1)	**22**	21
– Reversals	**–**	(1)
Provisions used during the year (1)	**(17)**	(17)
Actuarial losses directly recognised in equity	**(3)**	30
Other changes	**–**	1
Balance at 31 December	**135**	133

(1) Of which defined contributions plan for €10 million (2012: €9 million)

"Post-employment benefits" comprise provision for defined benefit obligations (see note 8.14.) for €132 million (2012: €129 million) and provision for other employee benefits for €3 million (2012: €4 million).

	2013 €m	2012 €m
Current	**2**	2
Non-current	**133**	131
	135	133

8. 14. Post-employment benefits

RTL Group operates or participates in a number of defined benefit and defined contribution plans throughout Europe. FremantleMedia North America in the United States also operates a medical care plan which is not further disclosed given its materiality to the consolidated financial statements.

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 and risks associated are given below:

Belgium

Employees of RTL Belgium SA 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. It concerns a closed plan in run-off. From 1 January 2004, a new defined contribution scheme has been opened for all new employees. 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 and the plan should not be affected by financial market development.

Furthermore, the pension plan provides a lump sum at retirement and therefore, will not be affected by the expected increase of the future life expectancy of the retiree. Other risks mainly relate to minimum funding requirements when vested rights are not funding enough.

France

Groupe M6, Ediradio SA, ID Sàrl and IP France SA operate retirement indemnity plans, which by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at the 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 insurance company. A guaranteed interest rate is provided by AXA and the plan should not be affected by financial market development. By nature, the liability is not influenced by the expected increase of the future life expectancy of a retiree.

Germany

Employees of UFA Berlin Group (including UFA Fiction GmbH, UFA Factual GmbH, UFA GmbH, UFA Show GmbH), AVE Gesellschaft fur Horfunkbeteiligungen GmbH, UFA Film & Fernsehen GmbH, RTL Group Deutschland GmbH and Universum Film GmbH participate in an unfunded common group retirement plan and defined benefit in nature. In case of insolvency, there is a comprehensive protection system ("Pensionssicherungsverein") operated by the German Pension Protection Fund. The company UFA Serial Drama GmbH has a partly funded plan.

Related obligations and plan assets are subject to demographic, legal and economic risks. The primary risks relates to longevity risk for pension recipients, restrictions to investments and minimum funding requirements.

Each employer which participates in this plan has separately identifiable liabilities.

RTL Television GmbH and IP Deutschland GmbH operate their own retirement arrangements. IP Deutschland sponsors individual plans for five former employees, providing defined pension benefits to each employee at retirement.

RTL Television sponsors individual plans for two employees and two former 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 and the plan should not be affected by financial market development. Both companies are exposed to certain risks associated with defined benefits plans as such longevity, inflation and increase of wages and salaries.

Luxembourg

CLT-UFA SA, RTL Group SA and Broadcasting Center Europe SA ("BCE") sponsor a post-employment defined benefit plan in favour of their employees. The occupational pension plan provides benefits to the affiliates (members and their dependants) in case of retirement, death in service and disability. The pension benefits are financed through an internal book reserve, as one of the allowed funding vehicles described in the law of 8 June 1999 on occupational pension plans in Luxembourg. Therefore CLT-UFA, RTL Group and BCE set up provision for the unfunded retirement benefit plan. Nevertheless in such case, the law requires the company to subscribe to insolvency insurance with the German Pension Protection Fund ("Pensionssicherungsverein"). The CLT-UFA, RTL Group and BCE occupational pension scheme is a defined benefit plan final pay with integration of the state pension. Consequently, the Company is exposed to certain risks associated with defined benefits plans as such longevity, inflation, effect of compensation increases and effect of the State pension legislation.

Death and disability are insured with Cardif Lux Vie.

United Kingdom

FremantleMedia Group Limited is the principal employer of the FremantleMedia 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 benefits through two sections, one providing defined benefits and the other providing defined contribution benefits with a defined benefit underpin. Plan assets are held for both sections of the Fremantle Plan – the assets in the defined benefit section comprise equities, index-linked gilts and UK corporate bonds; the assets in the defined contribution section comprise mainly equities. The Plan is funded through a trust administered by a trustee company, the assets of which are held separately from the assets of the participating employers. FremantleMedia Group Limited is ultimately liable for any deficit in the Plan. Funding requirements are under section 3 of Pensions Act 2004 (UK). This requires:

- Three-yearly formal actuarial valuations, with annual monitoring;
- Trustees to maintain a Statement of Funding Principles;
- Trustees and employers to agree the approach to each actuarial valuation;
- Funding deficits to be eliminated in accordance with a schedule of deficit funding contributions.

The main risks relate to the defined benefit section – investment, inflation, interest-rate and longevity risks. Investments of the Fremantle Plan will change in value in a different way from the value of pension liabilities. Under the defined benefit section of the Fremantle Plan, payment of benefits is made until a member's death (or their spouse's) – longer than anticipated payment in retirement can lead to funding strains.

The Company is currently managing and reducing the risks associated with the Fremantle Plan. Following consultation with members, during the year the Company closed the Plan to all further benefit accrual with effect from 31 March 2013. Future pension provision for members of the Fremantle Plan is now through a Group Personal Pension plan with Scottish Widows.

A change in legislation, introducing employers' pensions 'auto-enrolment' obligations, will require contributions to be made for employees / workers who were previously not members of Company schemes or who previously had no pension entitlement. This affects the Company from 1 September 2013 onwards. An employee must now choose to 'opt out' if they do not wish to contribute to the pension scheme.

The information about the nature of the present value of the defined benefit liabilities are detailed as follows:

	2013 €m	2012 €m
Final salary plans	**174**	170
Career average plans	**4**	3
Flat salary plans – plans with fixed amounts	**15**	15
Others (1)	**39**	36
Total	**232**	224

(1) Only include the defined contribution section of the Fremantle Plan

Thereof capital commitment for €109 million at 31 December 2013 (2012: €99 million). Under the Fremantle Plan Rules, in the defined benefit sections a member may opt to exchange up to around 25% of their pension benefit for a cash lump sum.

The information about the plan members is detailed as follows:

	2013	2012
Active members	**2,850**	3,020
Deferred members (1)	**1,072**	770
Pensioners	**315**	315
Total	**4,237**	4,105

(1) In connection with the closure of the Fremantle Plan, all the active members (2012: 202) moved to deferred status and received standard deferred benefits in the plan

The breakdown of the present value of the defined benefit liabilities by the plan members is as follows:

	2013 €m	2012 €m
Active members	**105**	124
Deferred members	**76**	47
Pensioners	**51**	53
Total	**232**	224

Thereof beneficiaries with vested rights for €197 million (2012: €133 million) and beneficiaries with unvested rights for €36 million (2012: €92 million)

The amounts recognised in the statement of financial position are determined as follows:

	2013 €m	2012 €m
Present value of funded obligations	**139**	132
Fair value of plan assets	**(107)**	(101)
Deficit of funded plans	**32**	31
Present value of unfunded obligations	**93**	92
Net defined benefit liability	**125**	123
Assets (see note 8.5.)	**7**	6
Provisions (see note 8.13.)	**132**	129

The amounts recognised in comprehensive income are determined as follows:

	2013 €m	2012 €m
Service costs:		
– Current service cost (see note 7.2.1.)	**7**	7
– Past service gain from plan amendments and/or curtailments (see note 7.2.1.)	**(4)**	–
– Settlements (see note 7.2.1.)	**(1)**	–
– Net interest expense (see note 7.4.)	**3**	5
Components of defined benefit costs recorded in profit or loss	**5**	12
Re-measurements:		
– (Gains)/losses from change in demographic assumptions	**1**	(3)
– (Gains)/losses from change in financial assumptions	**(3)**	37
– Experience adjustments (gains)/losses	**8**	1
– Less return on plan assets (excluding amounts included in net interest expense)	**6**	2
Components of defined benefit costs recorded in OCI	**–**	33
Total of components of defined benefit costs	**5**	45

The movement in the present value of funded/ unfunded defined benefit obligations over the year is as follows:

	2013 €m	2012 €m
Balance at 1 January	**224**	175
Current service cost	**7**	7
Past service credit from plan amendments and/or curtailments (1)	**(4)**	–
Interest cost	**7**	9
Re-measurements:		
– (Gains)/losses from change in demographic assumptions	**1**	(3)
– (Gains)/losses from change in financial assumptions	**(3)**	37
– Experience adjustments (gains)/losses (2)	**8**	1
Obligations extinguished on settlements (non cash effect)	**(1)**	–
Employee contributions	**–**	1
Benefits paid by employer	**(5)**	(4)
Benefits paid out of the plan assets	**(2)**	(2)
Foreign exchange differences	**(2)**	3
Others	**2**	–
Balance at 31 December	**232**	224

(1) In connection with the closure of the Fremantle Plan to future accrual, a past service credit has been recognised in the income statement for an amount of €3 million

(2) The experience losses mainly relate to:
- The plan in Luxembourg for an amount of €4 million mainly due to the decrease of the state pension in Luxembourg as the plan is a defined benefit plan final pay with integration of the state pension
- The Fremantle Plan for an amount of €5 million

The movement in the fair value of plan assets of the year is as follows:

	2013 €m	2012 €m
Balance at 1 January	**101**	85
Interest income on plan assets	**4**	4
Return on plan assets (excluding amounts included in net interest expense) (1)	**6**	2
Employer contributions	**2**	9
Employee contributions	**–**	1
Benefits paid out of the plan assets	**(2)**	(2)
Settlements	**(1)**	–
Foreign exchange differences	**(3)**	2
Balance at 31 December	**107**	101

(1) This is mainly due to the Fremantle Plan for an amount of €5 million due to strong performance by the consensus and equity funds which overall returned around +20 per cent over the year. In the defined contribution plan, the value of the benefits is equal to the assets, so there is a corresponding experience loss of €5 million on the liabilities and a net impact on OCI of nil.

Expected contributions to post-employment benefit plans for the year ending 31 December 2014 are €6 million.

Plan assets are comprised as follows:

	Quoted marked price €m	No quoted marked price €m	Total 2013 €m	%	Quoted marked price €m	No quoted marked price €m	Total 2012 €m	%
Equity instruments (including equity funds):			**53**	**50**			48	47
Company size: large cap	**27**	**–**	**27**		24	–	24	
Company size: mid cap	**26**	**–**	**26**		24	–	24	
Debt instruments (including debt funds):			**28**	**26**			29	29
Government bonds: investments grade	**19**	**–**	**19**		19	–	19	
Corporate bonds: investments grade	**9**	**–**	**9**		10	–	10	
Qualifying insurance policies	**–**	**26**	**26**	**24**	–	24	24	24
Total	**81**	**26**	**107**	**100**	77	24	101	100

Equity and debt instruments mainly relate to the Fremantle Plan. The policy asset allocation reflects a balance between investments in bonds (which are sensitive to interest rates) and equities (which are expected over the long term to provide higher returns and inflation protection).

The risks primarily inherent in the investment strategy are the risks that the market returns will be not in line with expectations and the risk of annual volatility in returns, which means that in any one year the actual return may be very different from the expected return (which may also be negative). In an attempt to control the level of risk to which the fund is exposed, the trustee has introduced a number of policies and procedures. These include investing assets in pooled funds so that there is sufficient liquidity for the needs of the Plan and that diversification of investment is achieved.

The principal actuarial assumptions used were as follows:

	2013 % a year			2012 % a year		
	Germany	**Other European countries**	**UK**	Germany	Other European countries	UK
Discount rate	**3.70**	**3.00**	**4.45**	3.20	2.80	4.70
Long term inflation rate	**1.80**	**2.00**	**2.40**	1.80	2.00	2.30
Future salary increases	**2.25**	**2.14 – 4.50**	**–**	2.25	2.15 – 4.50	4.00
Future pension increases	**1.80**	**1.00**	**3.25**	1.80	–	2.85

At 31 December 2013, the weighted-average duration of the defined benefit liability was 17.3 years (2012: 17.5 years).

The breakdown of the weighted-average duration by geographical areas is as follows:

	2013 €m	2012 €m
Germany	**17.9**	18.2
Other European countries	**12.2**	12.4
UK	**25.0**	25.0

At 31 December 2013, the sensitivity of the defined benefit liabilities to changes in the weighted principal assumptions is as follows:

	Increase €m	Decrease €m
Discount rate (effect of 0.5%)	**(14)**	16
Future salary growth (effect of 0.5%)	**12**	(11)
Future pension growth (effect of 0.5%)	**6**	(5)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

At 31 December 2013, expected maturity analysis of undiscounted pension (future cash flows) are as follows:

	Under 1 year €m	1 – 3 years €m	4 – 9 years €m	Over 9 years €m	**Total**
Defined benefit liability	10	20	64	350	**444**

8. 15. Equity

8. 15. 1. Share capital

At 31 December 2013, the subscribed capital amounts to €192 million (2012: €192 million) and is represented by 154,787,554 (2012: 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 2013, the Group holds 1,168,701 own shares (2012: 1,168,701) at a cost of €44 million (2012: €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 2012 and 31 December 2013, the hedging reserve decreased by €41 million before tax effect. This consists of:

- Decrease by €20 million due to foreign exchange contracts that existed at 2012 year end and which were still hedging off-balance sheet commitments at 31 December 2013;
- Decrease by €15 million due to foreign exchange contracts that existed at 2012 year end but which were incorporated in the cost of the hedged item and subsequently consumed and released in 2013 from the hedging reserve to income statement;
- Decrease by €6 million due to foreign exchange contracts entered into in 2013 hedging new off-balance sheet commitments.

Between 31 December 2011 and 31 December 2012, the hedging reserve decreased by €46 million before tax effect. This consists of:

- Decrease by €12 million due to foreign exchange contracts that existed at 2011 year end and which were still hedging off-balance sheet commitments at 31 December 2012;
- Decrease by €26 million due to foreign exchange contracts that existed at 2011 year end but which were incorporated in the cost of the hedged item and subsequently consumed and released in 2012 from the hedging reserve to income statement;
- Decrease by €8 million due to foreign exchange contracts entered into in 2012 hedging new off-balance sheet commitments.

8. 15. 5. Revaluation reserve

The revaluation reserve includes:

- The cumulative change net of tax in the fair value of available-for-sale investments (see note 8.5.) until the investment is derecognised or impaired for €30 million (2012: €41 million). The amount of OCI recycled to profit or loss and related to available-for-sale investments disposed of in 2013 is €11 million (net of tax: €10 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 and the acquisition of associates achieved in stages (2013: €55 million; 2012: €55 million).

8. 15. 6. Dividends

On 24 February 2013, the Board of Directors of RTL Group SA decided to distribute an interim dividend, comprising an ordinary dividend of €5.10 per share and an extraordinary dividend of €5.40 per share. The dividends were paid on 7 March 2013.

The Annual General Meeting of the 17 April 2013 declared and approved this interim dividend as final. The dividend paid by RTL Group SA amounted to €1,623 million (2011: €789 million).

On 21 August 2013, RTL Group's Board of Directors authorised the distribution of an extraordinary interim dividend of €2.50 per share. The payment on 5 September 2013 amounted to €387 million.

8. 15. 7.

Share options

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					
	06–2006	736.75	–	4 years of service	7 years
	05–2007	827.50	488.00	4 years of service	7 years
	05–2008	883.83	526.37	4 years of service	7 years
Total		**2,448.08**	**1,014.37**		

	Grant date	Maximum number of free shares granted (in thousands) (2)	Remaining options (in thousands)	Vesting conditions	
Free shares plans					
	07–2011	367.82	–	2 years of service + performance conditions	
	12–2011	37.50	–	2 years of service + performance conditions	
	07–2012	487.75	467.65	2 years of service + performance conditions	
	07–2013	642.50	615.90	2 years of service + performance conditions	
Total		**1,535.57**	**1,083.55**		

(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)
(2) The maximum number of free shares granted if the performance conditions are significantly exceeded. Such number could be reduced to nil if objectives are not met

The Free Shares Plans are subject to performance conditions. A description by plan is given below:

- The plans at 26 July 2011, 27 July 2012 and 26 July 2013 are subject to Groupe M6 achieving its target growth in net consolidated result over the periods 2011, 2012 and 2013 respectively;
- The plan at 22 December 2011 is subject to the Ventadis area achieving its target growth in operating result over the period 2011 and 2012, respectively.

Approximately 1,084,000 free shares are still exercisable at the end of the year against 840,000 at the beginning of the year which have been reduced by 28,000 due to the performance. 643,000 free shares were granted during the year with 334,000 being exercised and 37,000 being forfeited.

The price to be paid to exercise each of the remaining options is the average price 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 € per share	2013	Average exercise price € per share	2012
Options outstanding at the beginning of the year	21	**1,554**	21	2,093
Options exercised during the year	15	**(81)**	–	–
Options expired/cancelled during the year	24	**(459)**	21	(539)
Options outstanding at the end of the year	**21**	**1,014**	21	1,554

Shares options outstanding (in thousands) at the end of the year have the following terms:

	Expiry date	Exercise price €	Number of options/shares 2013	Number of options/shares 2012
Stock options plans				
	2013	24.60	**–**	395
	2014	27.52	**488**	520
	2015	14.73	**526**	639
			1,014	1,554
Free shares plans				
	2013		**–**	352
	2014		**468**	488
	2015		**616**	–
			1,084	840
Total			**2,098**	2,394
Out of which exercisable			**1,014**	1,341

The market price of Métropole Télévision shares on the Paris Stock Exchange was €16.65 at 31 December 2013 (€11.82 at 31 December 2012).

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 future expected dividends that employees cannot receive during the vesting period.

Grant date	Share price €	Strike price €	Historical volatility (1) %	Risk-free interest rate % a year	Expected return % a year	Option life	Employee expense 2013 €m	Employee expense 2012 €m
Stock options plans								
06/06/2006	24.63	24.60	43.1	4.02	3.81	7 years	**–**	–
02/05/2007	26.55	27.52	37.8	4.40	3.99	7 years	**–**	–
06/05/2008	15.22	14.73	40.0	4.39	6.30	7 years	**–**	–
							0.0	0.0
Free shares plans								
27/07/2010	17.66	N/A	N/A	1.00	5.38	2 years	**–**	1.5
22/12/2010	18.22	N/A	N/A	1.13	5.49	2 years	**–**	0.2
26/07/2011	15.75	N/A	N/A	1.56	6.35	2 years	**1.2**	2.2
22/12/2011	11.40	N/A	N/A	1.02	9.60	2 years	**–**	0.2
27/07/2012	11.51	N/A	N/A	0.24	9.50	2 years	**1.8**	0.7
26/07/2013	14.79	N/A	N/A	0.58	6.10	2 years	**1.4**	–
							4.4	4.8
							4.4	4.8

(1) Historical volatility retained was determined on the basis of a period equal to the maturity of each plan

There are other insignificant share option plans within the Group.

8. 15. 8.

Transactions on non-controlling interests

These transactions mainly relate to:

2013

Transactions on non-controlling interests without a change in control:

- On 1 January 2013, RTL Group acquired the remaining non-controlling interests in Phönix Film Karlheinz Brunnemann GmbH and Co. Produktions KG (merged into UFA Fiction GmbH in the second half-year 2013). The transaction resulted in a cash-out in 2013 of below €1 million. The contingent consideration based on a variable performance component includes an earn-out mechanism fully recognised for an amount of €5 million. This is a Level 3 fair value measurement (see note 3.3.2.);
- On 13 August 2013, CBS Studios International and RTL Group agreed to establish a partnership to launch two thematic channels in the fast-growing South East Asian markets. The venture is held 70 per cent and 30 per cent by RTL Group and CBS Studios International, respectively.

Transactions on non-controlling interests with a change in control:

- BroadbandTV (see note 6.2.);
- Miso (see note 6.2.).

2012

Transactions on non-controlling interests without a change in control:

- Groupe M6 entered in 2011 into a share buyback programme. Approval was given to the company to buy back shares on the open market over a 24-month period up to a maximum of 5 per cent of the subscribed capital. Groupe M6 had acquired own shares for its free share allocation plan and in respect of the liquidity programme. For the period ended 31 December 2012, 1,006,000 shares had been acquired (of which 480,000 from Bayard d'Antin SA) and 500,000 cancelled. The related outflows amounted for the Group to €12 million.

Transactions on non-controlling interests with a change in control:

- Alpha (see note 4.)

8. 15. 9.

Derivatives on equity instruments

Derivative instruments relate to forward transactions by Groupe M6 on Métropole Télévision SA shares.

9. COMMITMENTS AND CONTINGENCIES

	2013 €m	2012 €m
Guarantees and endorsements given	**21**	43
Contracts for purchasing rights, (co-)productions and programmes	**2,399**	2,039
Operating leases	**518**	498
Purchase obligations in respect of transmission and distribution	**199**	215
Other long-term contracts and commitments	**185**	148

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.

Certain UK companies in the FremantleMedia Group have elected to make use of new audit exemption regulations, for non-dormant subsidiaries, introduced at the end of 2012. In order to fulfil the conditions set out in the regulations, the Company has given a statutory guarantee of all outstanding liabilities to which the subsidiaries are subject at the end of the financial year to 31 December 2013. A full list of the companies which have made use of the audit exemption is presented in note 13.

9. 1. Guarantees and endorsements given

On 23 July 2010, Five Group was sold to Northern & Shell, a Group domiciled in the United Kingdom. The terms of the sale agreement stipulated that RTL Group continues to provide guarantees to third parties on behalf of Five Group. Northern & Shell has provided back-to-back guarantees to RTL Group. The related amounts stand at €1 million at 31 December 2013 (2012: €23 million).

9. 2. Operating leases

Non-cancellable operating lease rentals are as follows:

	2013				2012			
	Under 1 year €m	1–5 years €m	Over 5 years €m	Total €m	Under 1 year €m	1–5 years €m	Over 5 years €m	Total €m
Leasing of satellite transponders	**2**	**67**	**27**	**96**	1	55	38	94
Other operating leases	**66**	**195**	**161**	**422**	63	176	165	404
	68	**262**	**188**	**518**	64	231	203	498

"Other operating leases" mainly relates to the rental of offices, buildings and equipment 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 €185 million at 31 December 2013 (2012: €148 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 four years in relation to sale and lease back transactions for an amount of €8 million (2012: €45 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 A-rated banks 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 2013, the principal shareholder of the Group is Bertelsmann Capital Holding GmbH ("BCH") (75.1 per cent). The remainder of the Group's shares are publicly listed on the Brussels, Frankfurt 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 €8 million (2012: €7 million) and €20 million (2012: €21 million), respectively. At the year end, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €7 million (2012: €6 million) and €4 million (2012: €5 million), respectively.

Deposits Bertelsmann SE & Co. KGaA
With the view to investing its cash surplus, RTL Group SA entered in 2006 with Bertelsmann SE & Co. KGaA (previously 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 six month basis, EURIBOR plus 10 basis points;
- Bertelsmann SE & Co. KGaA grants to RTL Group as security for all payments due by Bertelsmann SE & Co. KGaA 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 SE & Co. KGaA to CLT-UFA SA, a subsidiary of RTL Group, in connection with the accounts receivable related to PLP and Compensation Agreements as defined below.

On 7 March 2013, the deposit was reimbursed to RTL Group SA (at 31 December 2012, the amount – principal deposited amounts to €51 million on an overnight basis and €300 million on a five-month basis). The interest income for the period amounts to €0.2 million (2012: €2.5 million).

On 22 December 2011, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement related to the deposit of surplus cash by RTL Group Deutschland GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group Deutschland GmbH its aggregate current partnership interest in Gruner + Jahr AG & Co. KG as well as all additional partnership interests in Gruner + Jahr it may create or acquire. On 7 March 2013 the deposit was reimbursed to RTL Group Deutschland GmbH (at 31 December 2012, the four-month deposit amounted to €75 million). The interest income for the period is insignificant (2012: €0.5 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 2013, the balance of the cash pooling accounts receivable and payable amounts to € nil million (2012: € nil million). The interest income/expense for the year is below €1 million (2012: below €1 million).

Loans from Bertelsmann SE & Co. KGaA
On 7 March 2013, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a term loan facility in the amount of €500 million and a revolving and swingline facility in the amount of up to €1 billion. The main terms of these facilities are:

- Term loan facility of €500 million until 7 March 2023 bearing interest at 2.713 per cent per annum; RTL Group S.A. has the right to early repay the loan subject to break costs. At 31 December 2013, the term loan balance amounts to €500 million;
- Revolving loans bear interest at the applicable EURIBOR plus a margin of 0.60 per cent per annum, and swingline loans bear interest at EONIA plus a margin of 0.60 per cent per annum. A commitment fee of 35 per cent of the applicable margin is payable where for purposes of calculation of the payable commitment fee the available commitment under the revolving and swingline facilities will be reduced by €200 million. At 31 December 2013, the total of revolving and swingline loan amounts to € nil million.

The interest expense for the period amounts to €12 million. The commitment fee charge for the period amounts to €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 SE & Co. KGaA.

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 SE & Co. KGaA 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 SE & Co. KGaA 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.

On 15 May 2013, the Board of Directors of RTL Group agreed to the amendment of the Compensation Agreement in light of the consumption of the trade tax and corporate tax losses at the level of Bertelsmann SE and Co. KGaA and of the expected level of indebtness of RTL Group in the future.

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 SE & Co. KGaA 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 2013, the balance payable to BCH amounts to €481 million (2012: €191 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €390 million (2012: €122 million).

For the year ended 31 December 2013, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €142 million (2012: €140 million). The Commission amounts to €52 million (2012: €69 million).

The trade tax loss carry forward at the level of Bertelsmann SE & Co. KGaA has been completely consumed in 2013 resulting in a lower commission.

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of €5 million (2012: €7 million).

Others

In September 2013, RTL Group disposed of the investment held in the associate arvato systems S4M GmbH to a 100 per cent affiliate of Bertelsmann SE and Co. KGaA (see note 8.4.).

10. 2. Transactions with associates and joint ventures

The following transactions were carried out with associates and joint ventures:

	2013 €m	2012 €m
Sales of goods and services to:		
Associates	**18**	25
Joint ventures	**25**	25
	43	50
Purchase of goods and services from:		
Associates	**8**	4
Joint ventures	**9**	9
	17	13

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:

	2013 €m	2012 €m
Trade accounts receivable from:		
Associates	**17**	20
Joint ventures	**6**	3
	23	23
Trade accounts payable to:		
Associates	**3**	3
	3	3

RTL 2, an associate, 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 and reflects benefits for the period for which the individuals held the Executive Committee position:

	2013 €m	2012 €m
Short-term benefits	**6.9**	7.0
Post-employment benefits	**0.1**	0.1
Long-term benefits	**3.7**	2.5
	10.7	9.6

10. 4. Directors' fees

In 2013, a total of €0.6 million (2012: €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 that emanate from it, with respect to their functions within RTL Group SA and other Group companies.

11. INTERESTS IN JOINT VENTURES

The main joint venture is as follows:

	Country of incorporation	Consolidation date 2013 %	2012 %
RTL Disney Fernsehen GmbH & Co. KG	Germany	**50.0**	50.0

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:

	2013 €m	2012 €m
Non-current assets	**8**	8
Current assets	**53**	50
Current liabilities	**(38)**	(33)
Net assets	**23**	25

	2013 €m	2012 €m
Income	**89**	91
Expenses	**(74)**	(71)

Included in the consolidated financial statements are the following items that represent the Group's interests in the commitments of the joint ventures:

	2013 €m	2012 €m
Contracts for purchasing rights, (co-)productions and programmes	**7**	7
Operating leases	**–**	1
Other long-term contracts and commitments	**10**	17

12. SUBSEQUENT EVENTS

On 7 February 2014, Fox Entertainment announced the cancellation of the programme *X Factor USA*, a FremantleMedia production.

On 18 February 2014, FremantleMedia announced the launch of a new venture with Vice Media to create a multi-channel food platform for a millennial audience. The deal sees both companies investing in the venture, and together they will develop and produce digital content for the Vice food vertical, which FremantleMedia will take to TV around the world. It allows FremantleMedia to extend its production expertise in the digital space, specifically to the Vice audience of young, influential and engaged millennials.

On 19 February 2014, Atresmedia announced that it had entered into a partial novation of the Integration Agreement executed on 14 December 2011 with the company Gestora de Inversiones Audiovisuales La Sexta SA and its shareholders, by virtue of which the terms and conditions governing the integration of this latter within the Atresmedia Group through a takeover merger were agreed. By virtue of this novation, Atresmedia Corporación has agreed with Gamp Audiovisual SA and Imagina Media Audiovisual SL to advance and permanently settle the transfer of the additional shareholding that would correspond to both companies. Consequently they will receive, out of the treasury stock of Atresmedia Corporación, 2.079 per cent and 1.631 per cent respectively of the capital. The terms and conditions agreed in connection with the company Gala Desarrollos Comerciales SL will remain unchanged. Consequently, they will be entitled to receive an additional share of 0.508 per cent of the capital stock of Atresmedia Corporación on the basis of the results eventually obtained by the Atresmedia Group. RTL Group's shareholding, as a result of this partial novation, will be reduced from 20.5 per cent to 19.8 per cent. In absence of any change in the governance of Atresmedia, this does not change the significant influence of RTL Group in Atresmedia.

13. GROUP UNDERTAKINGS

	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
LUXEMBOURG*						
RTL Group SA			M			M

BROADCASTING TV

	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
AUSTRIA*						
IPA Österreich Vermittlung für Fernsehwerbung GmbH *(former IPA Plus (Österreich) Verm. Für Fernsehwerbung GmbH)*		**49.8**	F		49.8	F
BELGIUM*						
Home Shopping Service Belgique SA		**57.2**	F	(2)	57.2	F
RTL Belgium SA		**65.8**	F		65.8	F
Société Européenne de Télévente Belgique GIE	(2)	**48.5**	F	(2)	48.5	F
Unité 15 Belgique SA	(2)	**48.5**	F	(2)	48.5	F
CROATIA*						
RTL Hrvatska d.o.o.		**99.7**	F		99.7	F
FRANCE*						
33 FM SAS	(2)	**46.1**	F	(2)	46.1	F
C. Productions SA	(2)	**48.6**	F	(2)	48.6	F
Edit TV/W9 SAS	(2)	**48.6**	F	(2)	48.6	F
Football Club des Girondins de Bordeaux SASP	(2)	**48.5**	F	(2)	48.5	F
Girondins Expressions SASU	(2)	**48.6**	F	(2)	48.6	F
Girondins Horizons SASU	(2)	**48.6**	F	(2)	48.6	F
GM6 SAS	(2)	**36.4**	F	(2)	36.4	F
Home Shopping Service SA	(2)	**48.5**	F	(2)	48.5	F
Immobilière 46D SAS	(2)	**48.6**	F	(2)	48.6	F
Immobilière M6 SA	(2)	**48.6**	F	(2)	48.6	F
Les Films de la Suane Sàrl	(2)	**48.6**	F	(2)	48.6	F
Live Stage SAS	(2)	**48.6**	F	(2)	48.6	F
Luxview SAS	(2)	**46.4**	F		–	NC
M6 Bordeaux SAS	(2)	**48.6**	F	(2)	48.6	F
M6 Communication SAS	(2)	**48.6**	F	(2)	48.6	F
M6 Créations SAS	(2)	**48.6**	F	(2)	48.6	F
M6 Développement SASU	(2)	**48.6**	F	(2)	48.6	F
M6 Diffusions SA	(2)	**48.6**	F	(2)	48.6	F
M6 Divertissement SAS	(2)	**48.5**	F	(2)	48.5	F
M6 Editions SA	(2)	**48.6**	F	(2)	48.6	F
M6 Evénements SA	(2)	**48.6**	F	(2)	48.6	F
M6 Films SA	(2)	**48.6**	F	(2)	48.6	F
M6 Foot SAS	(2)	**48.6**	F	(2)	48.6	F
M6 Génération/6Ter SAS	(2)	**48.6**	F	(2)	48.6	F
M6 Interactions SAS	(2)	**48.6**	F	(2)	48.6	F
M6 Publicité SASU	(2)	**48.6**	F	(2)	48.6	F
M6 Récréative SAS	(2)	**48.6**	F	(2)	48.6	F
M6 Shop SAS	(2)	**48.6**	F	(2)	48.6	F
M6 Studio SAS	(2)	**48.6**	F	(2)	48.6	F
M6 Thématique SA	(2)	**48.6**	F	(2)	48.6	F
M6 Toulouse SAS	(2)	**48.6**	F	(2)	48.6	F
M6 Web SAS	(2)	**48.6**	F	(2)	48.6	F
Métropole Production SA	(2)	**48.6**	F	(2)	48.6	F
Métropole Télévision – M6 SA	(2)	**48.6**	F	(2)	48.6	F
Mistergooddeal SA	(2)	**48.6**	F	(2)	48.6	F
Monalbumphoto SAS	(2)	**46.1**	F	(2)	46.1	F
Optilens SPRL	(2)	**46.4**	F		–	NC
Panorabanque SAS	(2)	**24.3**	P	(2)	24.3	P
Paris Première SAS	(2)	**48.6**	F	(2)	48.6	F
Quicksign SAS	(2)	**16.5**	E	(2)	16.5	E
SCI du 107	(2)	**48.6**	F	(2)	48.6	F
SEDI TV/Téva SAS	(2)	**48.6**	F	(2)	48.6	F

BROADCASTING TV	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
Série Club SA	(2)	**24.3**	P	(2)	24.3	P
SND Films LLC	(2)	**48.6**	F	(2)	48.6	F
SNDA SAS	(2)	**48.6**	F	(2)	48.6	F
Société Nouvelle de Cinématographie SA *(former DIEM 2 SA)*	(2)	**48.6**	F	(2)	48.6	F
Société Nouvelle de Distribution SA	(2)	**48.6**	F	(2)	48.6	F
Studio 89 Productions SAS	(2)	**48.6**	F	(2)	48.6	F
TCM Droits Audiovisuels SNC	(2)	**48.6**	F	(2)	48.6	F
TF6 Gestion SA	(2)	**24.3**	P	(2)	24.3	P
TF6 SCS	(2)	**24.3**	P	(2)	24.3	P
Unité 15 France SA	(2)	**48.5**	F	(2)	48.5	F

BROADCASTING TV	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
GERMANY*						
arvato systems S4M GmbH *(former S4M Solutions For Media GmbH)*	(13)	**–**	NC		19.8	E
CBC GmbH		**99.7**	F		99.7	F
Clipfish GmbH & Co. KG		**99.7**	F		99.7	F
Delta Advertising GmbH		**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		**99.7**	F		99.7	F
Netzathleten.net GmbH		**99.7**	F		99.7	F
Norddeich TV Produktionsgesellschaft mbH		**99.7**	F		99.7	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 & 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		**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		74.8	F
RTL2 Fernsehen Geschäftsführung GmbH		**35.8**	E		35.8	E
RTL2 Fernsehen GmbH & Co. KG		**35.8**	E		35.8	E
Smart Shopping and Saving GmbH *(former Gutscheine.de HSS GmbH)*		**99.7**	F		99.7	F
Universum Film GmbH		**99.7**	F		99.7	F
Vox Holding GmbH		**99.7**	F		99.7	F
VOX Television GmbH		**99.4**	F		99.4	F
werkenntwen GmbH *(former wer-kennt-wen.de GmbH)*		**99.7**	F		99.7	F

BROADCASTING TV

BROADCASTING TV	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
HUNGARY*						
Home Shopping Service Hongrie SA	(2)	**48.5**	F	(2)	48.5	F
Magyar RTL Televízió Zártkörûen Mükõdõ Részvénytársaság	(4)	**99.7**	F	(4)	99.7	F
NetPiac Szamitastechnikai es Kereskedelmi Kft	(13)	**–**	NC	(4)	99.7	F
R-Time Kft	(4)	**99.7**	F	(4)	99.7	F
RTL Kábeltelevízió Kft	(4)	**99.7**	F	(4)	99.7	F
INDIA*						
Big RTL Broadcast Pvt Ltd		**50.0**	P		50.0	P
LUXEMBOURG*						
Broadcasting Center Europe SA		**99.7**	F		99.7	F
RTL Belux SA		**65.8**	F		–	NC
RTL Belux SA & Cie SECS		**65.8**	F		–	NC
RTL9 SA		**34.9**	E		34.9	E
RTL9 SA & Cie SECS		**34.8**	E		34.8	E
THE NETHERLANDS*						
Couverts Reserveren BV		**99.7**	F		99.7	F
RTL Nederland BV		**99.7**	F		99.7	F
RTL Nederland Holding BV		**99.7**	F		99.7	F
RTL Nederland Interactief BV		**99.7**	F		99.7	F
RTL Nederland Ventures 1 BV		**99.7**	F		99.7	F
RTL Nederland Ventures 3 BV		**99.7**	F		99.7	F
RTL Nederland Ventures BV		**99.7**	F		99.7	F
Wentink Events BV		**99.7**	F		99.7	F
ROMANIA*						
Cable Channels SA		**99.7**	F		99.7	F
SINGAPORE*						
RTL CBS Asia Entertainment Network LLP		**70.0**	F		–	NC

BROADCASTING TV

BROADCASTING TV	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
SPAIN*						
Antena 3 de Television Colombia SA	(13)	**–**	NC	(5)	11.3	E
Antena 3 Eventos SLU	(5)	**20.5**	E	(5)	20.5	E
Antena 3 Films SLU	(5)	**20.5**	E	(5)	20.5	E
Antena 3 Juegos SAU	(5)	**20.5**	E	(5)	20.5	E
Antena 3 Multimedia SLU	(5)	**20.5**	E	(5)	20.5	E
Antena 3 Noticias, SLU	(5)	**20.5**	E	(5)	20.5	E
Antena 3 Television Digital Terrestre de Canarias SAU	(5)	**20.5**	E	(5)	20.5	E
Atlantis Global Solutions SL	(5)	**6.9**	E		–	NC
Atres Advertising SLU	(5)	**20.5**	E	(5)	20.5	E
Atresmedia Corporación de Medios de Comunicación SA	(5)	**20.5**	E	(5)	20.5	E
Atresmedia Fotos SL	(5)	**18.5**	E		–	NC
Canal 3 Television de Colombia, SA	(13)	**–**	NC	(5)	4.9	E
Canal Media Radio Galicia SLU	(12)	**–**	NC	(5)	20.5	E
Canal Media Radio SAU	(5)	**20.5**	E	(5)	20.5	E
Cordina Planet SLU	(5)	**20.5**	E	(5)	10.3	E
Estaciones Radiofonicas de Aragon SAU	(12)	**–**	NC	(5)	20.5	E
Guadiana Producciones SAU	(5)	**20.5**	E	(5)	20.5	E
Hola TV América SL	(5)	**10.3**	E	(5)	10.3	E
I3 Television SL	(5)	**10.3**	E	(5)	10.3	E
Ipar Onda SAU	(12)	**–**	E	(5)	20.5	E
La Sexta Editorial Musical, SLU	(5)	**20.5**	E	(5)	20.5	E
Musica Aparte SAU	(5)	**20.5**	E	(5)	20.5	E
Onda Cero SAU	(12)	**–**	NC	(5)	20.5	E
Organizaciones Deportivas y Culturales Unipublic SA	(13)	**–**	NC	(5)	10.5	E
Publiseis Iniciativas Publicitarias SAU	(5)	**20.5**	E	(5)	20.5	E
Uniprex SAU	(5)	**20.5**	E	(5)	20.5	E
Uniprex Television Digital Terrestre de Andalucia SLU	(5)	**15.2**	E	(5)	15.2	E
Uniprex Television SLU	(5)	**20.5**	E	(5)	20.5	E
Uniprex Valencia Television SLU	(5)	**20.5**	E	(5)	20.5	E
Unipublic SA	(13)	**–**	NC	(5)	10.5	E
SWITZERLAND*						
Goldbach Media (Switzerland) AG		**22.9**	E		22.9	E
USA*						
SND USA Inc	(2)	**48.6**	F	(2)	48.6	F

CONTENT	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
ANTIGUA*						
Grundy International Operations Ltd		**100.0**	F		100.0	F
AUSTRALIA*						
Clark & Leroy Pty Ltd *(former Radical Media Pty Ltd)*	(15)	**100.0**	F	(15)	100.0	F
Forum 5 Pty Ltd		**100.0**	F		100.0	F
FremantleMedia Australia Holdings Pty Ltd	(10)	**100.0**	F	(10)	100.0	F
FremantleMedia Australia Pty Ltd	(10)	**100.0**	F	(10)	100.0	F
Grundy Organization Pty Ltd	(10)	**100.0**	F	(10)	100.0	F
BELGIUM*						
FremantleMedia Belgium NV		**100.0**	F		100.0	F
BRAZIL*						
FremantleMedia Brazil Produção de Televisão Ltda		**100.0**	F		100.0	F
CANADA*						
FremantleMedia Canada Inc		**100.0**	F		100.0	F
Ludia Inc		**100.0**	F		100.0	F
Miso Film Canada Inc		**51.0**	F		–	NC
CHINA*						
AdSociety Daye Advertising Co. Ltd		**33.3**	E		33.3	E
Radical Media Co. Ltd	(15)	**100.0**	F	(15)	100.0	F
CROATIA*						
FremantleMedia Hrvatska d.o.o.		**100.0**	F		100.0	F
DENMARK*						
Blu A/S		**100.0**	F		100.0	F
Miso Edit ApS		**51.0**	F		–	NC
Miso Estate ApS		**51.0**	F		–	NC
Miso Film ApS		**51.0**	F		–	NC
Miso Holding ApS		**51.0**	F		–	NC
FINLAND*						
FremantleMedia Finland Oy		**100.0**	F		100.0	F
FRANCE*						
1. 2. 3. Productions SAS *(former 20h50 Television SAS)*		**100.0**	F		100.0	F
FremantleMedia France SAS		**100.0**	F		100.0	F
TV Presse Productions SAS		**100.0**	F		100.0	F

CONTENT	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
GERMANY*						
Deutsche Synchron Filmgesellschaft mbH & Co. Karlheinz Brunnemann Produktions KG	(13)	**–**	NC	(6)	50.8	F
Fremantle Licensing Germany GmbH		**99.7**	F		99.7	F
Phoenix Film Karlheinz Brunnemann GmbH & Co. Produktions KG	(12)	**–**	NC	(6)	50.8	F
Phoenix Geschäftsführungs GmbH	(12)	**–**	NC	(6)	50.8	F
Radical Media GmbH	(15)	**100.0**	F	(15)	100.0	F
RTL Group Licensing Asia GmbH		**99.7**	F		99.7	F
RTL Group Services GmbH		**99.7**	F		99.7	F
Stargate Germany GmbH	(13)	**–**	NC	(3)	49.8	P
Teamworx Television & Film GmbH	(12)	**–**	NC		99.7	F
UFA – Filmproduktion GmbH	(12)	**–**	NC	(3)	99.7	F
UFA Brand Communication GmbH	(3)	**99.7**	F	(3)	99.7	F
UFA Cinema GmbH		**99.7**	F		99.7	F
UFA Cinema Verleih GmbH		**99.7**	F		99.7	F
UFA Factual GmbH *(former UFA Entertainment GmbH)*	(3)	**99.7**	F	(3)	99.7	F
UFA Fiction GmbH *(former UFA Fernsehproduktion GmbH)*	(3)	**99.7**	F	(3)	99.7	F
UFA GmbH *(former UFA Film & TV Produktion GmbH)*	(3)	**99.7**	F	(3)	99.7	F
UFA Serial Drama GmbH *(former Grundy UFA TV Produktions)*	(3)	**99.7**	F	(3)	99.7	F
UFA Show GmbH *(former Grundy Light Entertainment GmbH)*		**100.0**	F		100.0	F
UFA Sports GmbH		**99.7**	F		99.7	F
GREECE*						
Fremantle Productions SA		**100.0**	F		100.0	F
HONG KONG*						
Fremantle Productions Asia Ltd		**100.0**	F		100.0	F
HUNGARY*						
Magyarorszag KFT *(former 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		**100.0**	F		100.0	F
LUXEMBOURG*						
Duchy Digital SA		**99.7**	F		99.7	F
European News exchange SA		**76.5**	F		–	NC
FremantleMedia SA		**100.0**	F		100.0	F
MEXICO*						
FremantleMedia Mexico SA de CV *(former Grundy Productions SA de CV)*		**100.0**	F		100.0	F

CONTENT	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
THE NETHERLANDS*						
Benelux Film Investments BV		**49.8**	P		49.8	P
Blue Circle BV		**100.0**	F		100.0	F
Four One Media BV		**100.0**	F		100.0	F
FremantleMedia Operations BV	(9)	**100.0**	F	(9)	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 Film Venture BV		**99.7**	F		99.7	F
RTL Nederland Producties BV		**99.7**	F		99.7	F
NORWAY*						
Miso Film Norge AS		**51.0**	F		–	NC
POLAND*						
FremantleMedia Polska Sp.Zo.o.		**100.0**	F		100.0	F
PORTUGAL*						
FremantleMedia Portugal SA		**100.0**	F		100.0	F
RUSSIAN FEDERATION*						
Fremantle Productions LLC		**100.0**	F		100.0	F
SINGAPORE*						
Asia Sports Ventures Pte Ltd		**43.6**	P		–	NC
FremantleMedia Asia Pte Ltd		**100.0**	F		100.0	F
UFA Sports Asia Pte LTD		**87.3**	F		75.1	F
SLOVAKIA*						
UFA Sports Slovakia s.r.o		**65.8**	F		65.8	F
SPAIN*						
Fremantle de Espana SL	(7)	**99.6**	F	(7)	99.6	F
FremantleMedia España SA *(former La Competencia Producciones SA)*		**100.0**	F		100.0	F
SWEDEN*						
FremantleMedia Sverige AB		**100.0**	F		100.0	F
SWITZERLAND*						
Grundy Schweiz AG	(13)	**–**	NC		65.0	F

CONTENT	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
UK*						
Arbie Productions Ltd	(16)	**100.0**	F	(16)	100.0	F
Fremantle (UK) Productions Ltd	(16)	**100.0**	F	(16)	100.0	F
FremantleMedia Group Ltd	(16)	**100.0**	F	(16)	100.0	F
FremantleMedia Ltd	(16)	**100.0**	F	(16)	100.0	F
FremantleMedia Overseas Ltd	(16)	**100.0**	F	(16)	100.0	F
FremantleMedia Services Ltd	(16)	**100.0**	F	(16)	100.0	F
RTL Group Support Services Ltd		**100.0**	F		100.0	F
Select TV Ltd		**100.0**	F		100.0	F
Talkback Productions Ltd	(11)	**100.0**	F	(11)	100.0	F
Talkback Thames Ltd	(11)	**100.0**	F	(11)	100.0	F
TalkbackThames UK Ltd		**100.0**	F		100.0	F
Thames Television Holdings Ltd	(16)	**100.0**	F	(16)	100.0	F
Thames Television Ltd		**100.0**	F		100.0	F
USA*						
All American Music Group	(8)	**100.0**	F	(8)	100.0	F
Allied Communications Inc		**100.0**	F		100.0	F
Amygdala LLC	(14)	**100.0**	F	(14)	100.0	F
Fremantle Goodson Inc	(8)	**100.0**	F	(8)	100.0	F
Fremantle Productions Inc	(8)	**100.0**	F	(8)	100.0	F
Fremantle Productions Music Inc	(8)	**100.0**	F	(8)	100.0	F
Fremantle Productions North America Inc	(8)	**100.0**	F	(8)	100.0	F
FremantleMedia Latin America Inc		**100.0**	F		100.0	F
FremantleMedia Licensing Inc	(7)	**100.0**	F	(7)	100.0	F
FremantleMedia North America Inc	(8)	**100.0**	F	(8)	100.0	F
Good Games Live Inc	(8)	**100.0**	F	(8)	100.0	F
LBS Communications Inc	(8)	**100.0**	F	(8)	100.0	F
Leroy & Morton Productions LLC	(15)	**100.0**	F	(15)	100.0	F
Max Post LLC	(14)	**100.0**	F	(14)	100.0	F
Media Pie LLC	(13)	**–**	NC	(15)	100.0	F
Music Box Library Inc	(8)	**100.0**	F	(8)	100.0	F
Neville LLC	(14)	**100.0**	F	(14)	100.0	F
O'Merch LLC	(14)	**100.0**	F	(14)	100.0	F
Op Services LLC	(14)	**100.0**	F	(14)	100.0	F
Original Fremantle LLC	(14)	**100.0**	F	(14)	100.0	F
Original Prod'ions LLC	(14)	**100.0**	F	(14)	100.0	F
Outpost Digital LLC	(15)	**100.0**	F	(15)	100.0	F
Radical Media LLC	(15)	**100.0**	F	(15)	100.0	F
Reg Grundy Productions Holdings Inc	(8)	**100.0**	F	(8)	100.0	F
Studio Production Services Inc	(8)	**100.0**	F	(8)	100.0	F
The Baywatch Productions Company	(8)	**100.0**	F	(8)	100.0	F
Thumbdance LLC		**100.0**	F		100.0	F

* Country of incorporation

1(1) M: parent company
F: full consolidation
P: proportionate consolidation
E: equity accounting
NC: not consolidated
(2) Groupe M6 ("de facto" control)
(3) UFA Berlin Group
(4) M-RTL Group
(5) Atresmedia (former Grupo Antena 3)
(6) Phönix Group
(7) Fremantle Licensing Group
(8) FremantleMedia North America Group
(9) FremantleMedia Productions Netherlands Group
(10) Grundy Organisation (Holdings) Group
(11) Talkback Productions Group
(12) Company absorbed by a company of the Group
(13) Company sold or liquidated
(14) Original Productions
(15) Radical Media
(16) Company has elected to make use of the audit exemption in accordance with sections 479C of UK Companies Act 2006. Other companies which have elected the exemption are not reported in the list above (1939 Ltd, Fremantle group Pension Trustee Ltd and Screenpop Ltd)

(**) The Group's ownership is based on the total number of shares after deduction of treasury shares held by the company as per 31 December

BROADCASTING RADIO

	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated 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
New 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 Net SAS		**99.7**	F		99.7	F
RTL Special Marketing Sàrl *(former RTL Fun Développement Sàrl)*		**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		**57.4**	F		57.4	F
AVE Gesellschaft 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	(13)	**–**	NC		99.7	F
AVE VI Vermögensverwaltungsgesellschaft mbH & Co. KG		**49.7**	E		49.7	E
BCS Broadcast Sachsen GmbH & Co. KG		**47.3**	E		47.2	E
Funkhaus Halle GmbH & Co. KG		**61.2**	F		61.2	F
Hitradio RTL Sachsen GmbH		**86.3**	F		85.8	F
Madsack Hörfunk GmbH	(***)	**99.7**	F		99.7	F
Mediengesellschaft Mittelstand Niedersachsen GmbH	(***)	**23.0**	E		23.0	E
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		**99.7**	F		99.7	F
Rundfunk Beteiligungs- und Betriebsgesellschaft Blauen mbH	(13)	**–**	NC		43.0	E
UFA Radio-Programmgesellschaft in Bayern mbH		**99.7**	F		99.7	F
LUXEMBOURG*						
Luxradio Sàrl		**74.8**	F		74.8	F
THE NETHERLANDS*						
RTL FM BV		**99.7**	F		99.7	F
SWITZERLAND*						
Swiss Radioworld AG		**23.0**	E		–	NC

(***) At 31 December 2013, the Group legally held 24.9 % and 5.7 % in Madsack Hörfunk GmbH and Mediengesellschaft Mittelstand Niedersachsen GmbH, respectively. The Group's ownership disclosed for both entities takes into account an option agreement in accordance with IAS 32.

OTHERS

	Note	Group's ownership 2013 (**)	Consolidated method (1)	Note	Group's ownership 2012 (**)	Consolidated method (1)
AUSTRIA*						
RTL Group Austria GmbH		**99.7**	F		99.7	F
BELGIUM*						
Audiomedia Investments Bruxelles SA		**100.0**	F		100.0	F
CANADA*						
BroadbandTV Corporation		**57.5**	F		–	NC
RTL Canada Ltd		**100.0**	F		–	NC
FRANCE*						
IP Network SA		**99.7**	F		99.7	F
Société Immobilière Bayard d'Antin SA		**99.7**	F		99.7	F
GERMANY*						
Apareo Deutschland GmbH		**99.7**	F		74.8	F
Apareo Holding GmbH		**99.7**	F		74.8	F
Kos Beteiligungs- und Verwaltungsgesellschaft mbH	(12)	**–**	NC		99.7	F
RTL Group Central & Eastern Europe GmbH		**99.7**	F		99.7	F
RTL Group Deutschland GmbH		**99.7**	F		99.7	F
RTL Group Vermögensverwaltungs GmbH		**100.0**	F		100.0	F
UFA Film und Fernseh GmbH		**99.7**	F		99.7	F
UFA Sports Ventures GmbH		**99.7**	F		–	NC
LUXEMBOURG*						
B. & C.E. SA		**99.7**	F		99.7	F
CLT-UFA SA		**99.7**	F		99.7	F
Data Center Europe Sàrl		**99.7**	F		–	NC
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
RTL Group Central & Eastern Europe SA		**99.7**	F		99.7	F
RTL Group Germany SA		**99.7**	F		99.7	F
THE NETHERLANDS*						
Buienradar BV		**99.7**	F		99.7	F
Future Whiz Media BV		**20.3**	P		–	NC
RTL Group Beheer BV		**100.0**	F		100.0	F
The Entertainment Group BV		**99.7**	F		–	NC
Videostrip BV		**99.7**	F		99.7	F
SINGAPORE*						
RTL Group Asia Pte Ltd		**100.0**	F		–	NC
UK*						
CLT-UFA UK Radio Ltd		**99.7**	F		99.7	F
CLT-UFA UK Television Ltd		**99.7**	F		99.7	F
USA*						
StyleHaul Inc		**26.1**	E		–	NC

AUDITORS' REPORT

PricewaterhouseCoopers, Société coopérative,
400, route d'Esch
B.P. 1443
L–1014 Luxembourg
T: +352 494848 1
F:+352 494848 2900
www.pwc.lu

Cabinet de révision agréé
Expert-comptable
(autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477
R.C.S. Luxembourg B 65 477 – TVA LU25482518

TO THE SHAREHOLDERS OF RTL GROUP S.A.

Report 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 2013, 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 146 to 219.

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 "Réviseur d'entreprises agréé"

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 judgment of the "Réviseur d'entreprises agréé" 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 "Réviseur d'entreprises agréé" considers 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 146 to 219 give a true and fair view of the consolidated financial position of the Group as of 31 December 2013, 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 Director's report, including the corporate governance statement, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the law with respect to the Corporate Governance Statement.

Luxembourg, 5 March 2014

PricewaterhouseCoopers, Société coopérative

Represented by

Pascal Rakovsky *Marc Minet*

Credits

PUBLISHER

RTL Group
45, Bd Pierre Frieden
L–1543 Luxembourg
Luxembourg

EDITOR

RTL Group
Corporate Communications and Marketing

Copywriters: Richard Owsley, Writers Ltd, Bristol
RTL Group
Corporate Communications and Marketing

Copy editing and proofreading:
Sarah Townsend Editorial, Gloucester

DESIGN, CONCEPT CONSULTING

Ringzwei, Hamburg

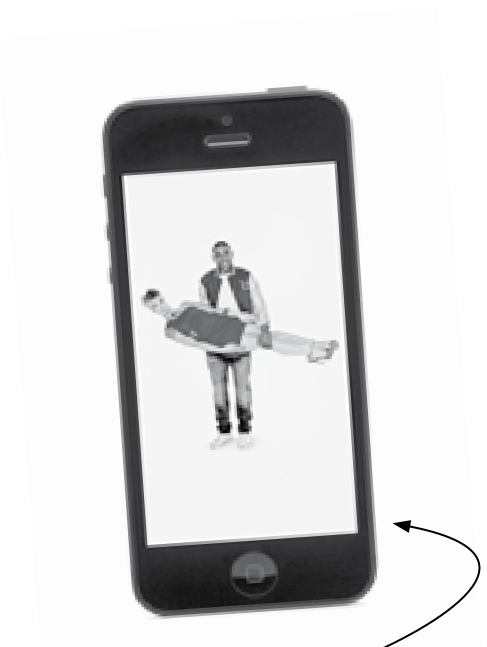
PRODUCTION

Johannes Bauer in der Printarena, Hamburg
Ringzwei, Hamburg

PRINT

Eurodruck in der Printarena, Hamburg

MIX
Papier aus verantwortungsvollen Quellen
FSC® C002722
www.fsc.org



Scènes de ménages is a hit in access prime time on M6. With an average of 4.3 million viewers, the humorous series has doubled its audience since its launch in 2009

PHOTOGRAPHY

Cover	Cécile Rogue/M6
4	William Rutten, Dreamworks, FremantleMedia, Style Haul, Cécile Rogue/M6, RTL Television/Stefan Gregorowius, 6ter, I-Stockphoto (2)
6	Christian Schoppe/Bertelsmann SE & Co. KGaA
7	I-Stockphoto
8, 12, 13	Dominik Gigler
16	Marianne Rosenstiehl/M6, I-Stockphoto
17	Vox/BBC 2011 (4)
18	RTL Klub, William Rutten, I-Stockphoto (2)
19	RTL II
20	ABC Studios
21	RTL Television/Stefan Gregorowius (3, Montage), UFA, I-Stockphoto (2)
23	Vox/Sebastian Schmidt
24	Cécile Rogue/M6 (3), Cécile Rogue/M6 (2, Montage), I-Stockphoto
25	RTL Televizija, I-Stockphoto (6), Pierre Olivier/M6, Vox/NBC Universal Inc., FremantleMedia
27	Cyril Plotnikoff/M6, Marie Etchegoyen/M6, I-Stockphoto
28	Cyril Bruneau
29	FremantleMedia (2)
30	Mario Hommes/DDP images
31	Martin Joppen, I-Stockphoto
32	Stefan Gregorowius
33	Patrick Robert/M6, Lightworkers Media/Hearst Productions Inc.
35	Super RTL, Super RTL/Markus Nass
36	RTL Television /Markus Nass (2) and RTL Television (2, Montage), John Berry/Getty Images (2), I-Stockphoto
37	RTL Televizija, DDP images, Marc Seliger/NBC, Ben King
39	I-Stockphoto (2)
40	Fun Radio, BroadbandTV
41	FremantleMedia, Style Haul, Groupe M6 (2), I-Stockphoto (2)
42	RTL Interactive, I-Stockphoto
43	Marie Etchegoyen/M6 (2), Aurélien Faidy/W9, Xavier Popy/M6
45	Boris Streubel/Getty Images, Martin Rose/Bongarts/Getty Images, Patrik Stollarz/AFP/Getty Images
46	RTL Television/Stephan Pick, Stuart Franklin/Bongarts/Getty Images, RTL Belgium, I-Stockphoto
47	Vox/Guido Lange, Harold Cunningham/Getty Images
48	FremantleMedia
49	CBS Studios International (3), I-Stockphoto (2)
50	Videoland, RTL New Media, Aurélien Faidy/M6
51	Jean-Brice Lemal/M6 (2, Montage), RTL Nitro
52	RTL Television/Stephan Pick
53	RTL Television/Ruprecht Stempell, Henning Kaiser/DPA, Stefan Gregorowius/Action Press
54	Dennis Mulder, I-Stockphoto (3)
55	William Rutten, Phil McCarten/Invision for Academy of Television Arts & Sciences/DDP images, Jeff Golden/Getty Images
57	Antena 3, I-Stockphoto
58	RTL Televizija, Reshet TV, I-Stockphoto (3)
59	RTL Radio (2), RTL NITRO/Stefan Gregorowius, I-Stockphoto (3)
61	FremantleMedia (2), I-Stockphoto (4)
62	FremantleMedia (3), I-Stockphoto (3)
63	Marie Etchegoyen/JMP/M6/Abacapress, RTL Television, I-Stockphoto
64	FremantleMedia
65	Reuters/David Bachar
66	Groupe M6
67	Eric Travers/M6, FremantleMedia, RTL Kockica, I-Stockphoto
68	I-Stockphoto
69	Enex
70-71	Illustrations from *Always Close To The Audience – The History of RTL Group* (U3, 56–57), V & A Images, RTL Television, I-Stockphoto (2)
72-73	Neilson Barnard/Getty Images, RTL Television/Keith Bedford
74	Franziska Krug/Getty Images, Coatsaliou/360 Medias/RMO, NDR
75	Helene Wiesenhaan/WireImage/Getty Images, Frans van Zijst, RTL Television/Stefan Gregorowius, Michael Tran/FilmMagic/Getty Images, Weisser Ring/Event-bildservice/Ulrich Perrey, RTL Klub
76	Initiative-coeur, I-Stockphoto
77	Hitradio RTL, RTL Television/Frank Hempel, RTL Nederland, Fred Guerdin, Rafael Bravo, I-Stockphoto
78	Dominik Gigler
79	Vox
80	Christophe Guibbaud/Abacapress/RTL Radio (France), I-Stockphoto
81	Rachid-Bellak, Marko Todorov/Cropix, I-Stockphoto
82	RTL Belgium, RTL Lëtzebuerg, I-Stockphoto
83	RTL Group, I-Stockphoto
84	Mediengruppe RTL Deutschland, RTL Hungary, I-Stockphoto
85	RTL Group, Lionel Hahn/AbacaUsa/M6, I-Stockphoto
90–91	Dominik Gigler
92	I-Stockphoto (3)
93–97	RTL Group, Dominik Gigler
98	FremantleMedia
107–131	RTL Group, Dominik Gigler
222	Cécile Rogue/M6 and I-Stockphoto (Montage)

FURTHER INFORMATION

For journalists
Corporate Communications
Phone: +352 2486 5201

For analysts and investors
Investor Relations
Phone: +352 2486 5074

RTLGroup.com

FULLY CONSOLIDATED PROFIT CENTRES AT A GLANCE

MEDIENGRUPPE RTL DEUTSCHLAND

	2013 €m	2012 €m	2011 €m	2010 €m	2009 €m
Revenue	2,003	1,982	1,912	1,892	1,732
EBITA	622	581	529	551	366

GROUPE M6

	2013 €m	2012 €m	2011 €m	2010 €m	2009 €m
Revenue	**1,383**	1,387	1,421	1,459	1,377
EBITA	**207**	224	249	245	195

FREMANTLEMEDIA

	2013 €m	2012 €m	2011 €m	2010 €m	2009 €m
Revenue	**1,533**	1,711	1,429	1,272	1,183
EBITA	**136**	138	143	140	155

RTL NEDERLAND

	2013 €m	2012 €m	2011 €m	2010 €m	2009 €m
Revenue	**455**	431	491	429	371
EBITA	**103**	97	134	110	72

RTL BELGIUM

	2013 €m	2012 €m	2011 €m	2010 €m	2009 €m
Revenue	**209**	210	216	219	203
EBITA	**46**	45	46	45	36

RTL RADIO (FRANCE)

	2013 €m	2012 €m	2011 €m	2010 €m	2009 €m
Revenue	**175**	180	184	182	174
EBITA	**29**	30	30	24	15

RTL HUNGARY

	2013 €m	2012 €m	2011 €m	2010 €m	2009* €m
Revenue	**100**	101	99	105	83
EBITA	**15**	9	15	19	18

* RTL Hungary has been fully consolidated from April 2009

RTL HRVATSKA

	2013 €m	2012 €m	2011 €m	2010 €m	2009 €m
Revenue	**33**	31	37	38	41
EBITA	**0**	(9)	0	(3)	(3)

FIVE-YEAR SUMMARY

	Year to December 2013 €m	Year to December 2012 €m	Year to December 2011 €m	Year to December 2010[1] €m	Year to December 2009[2] €m
Revenue	**5,889**	5,998	5,765	5,532	5,156
– of which net advertising sales	**3,430**	3,397	3,459	3,362	3,062
Other operating income	**50**	45	40	51	43
Consumption of current programme rights	**(1,940)**	(2,015)	(1,791)	(1,711)	(1,673)
Depreciation, amortisation and impairment	**(203)**	(187)	(178)	(192)	(179)
Other operating expenses	**(2,687)**	(2,790)	(2,746)	(2,591)	(2,577)
Impairment of goodwill and fair value adjustments and amortisation of fair value adjustments on acquisitions of subsidiaries and joint ventures	**(10)**	(10)	(13)	(10)	(88)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**5**	(9)	107	(7)	–
Profit from operating activities	**1,104**	**1,032**	**1,184**	**1,072**	**682**
Share of results of associates	**102**	(53)	38	40	25
Earnings before interest and taxes (“EBIT”)	**1,206**	**979**	**1,222**	**1,112**	**707**
Net interest income/(expense)	**(22)**	(10)	(2)	12	4
Financial results other than interest	**69**	(1)	(27)	4	23
Profit before taxes	**1,253**	**968**	**1,193**	**1,128**	**734**
Income tax expense	**(305)**	(277)	(302)	(263)	(234)
Profit for the year from continuing operations	**948**	**691**	**891**	**865**	**500**
Loss from discontinued operations	**–**	(1)	(96)	(135)	(202)
Profit for the year	**948**	**690**	**795**	**730**	**298**
Attributable to:					
RTL Group shareholders	**870**	597	696	611	205
Non-controlling interests	**78**	93	99	119	93
Profit for the year	**948**	**690**	**795**	**730**	**298**
EBITA	**1,152**	1,078	1,134	1,132	796
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**(10)**	(10)	(13)	(10)	(88)
Impairment of disposal group	**10**	–	–	–	–
Impairment of investments in associates	**68**	(82)	(6)	(3)	(1)
Re-measurement of earn-out arrangements	**1**	2	–	–	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**5**	(9)	107	(7)	–
Earnings before interest and taxes (“EBIT”)	**1,206**	**979**	**1,222**	**1,112**	**707**
Basic earnings per share (in €)	**5.67**	3.88	4.53	3.98	1.33
Ordinary dividend per share (in €)	**2.50**	5.10	5.10	5.00	3.50
Extraordinary dividend per share (in €)	**4.50**[3]	5.40	–	–	–
Dividends paid (€ million)	**1,084**	1,623	789	773	541
Average number of full-time equivalent employees	**9,807**	9,590	9,621	9,286	9,608
Net assets (€ million)	**3,593**	4,858	5,093	5,597	5,530
Net cash (€ million)	**36**	1,051	1,238	1,456	789

1 Re-presented following the application of IFRS 5 to Alpha Media Group (discontinued operations)
2 Re-presented following the application of IFRS 5 to Five (discontinued operations)
3 Including extraordinary interim dividend paid in September 2013

RTL Group
Corporate Communications
45, boulevard Pierre Frieden
L-1543 Luxembourg
T: +352 2486 5201
F: +352 2486 5139
RTLGroup.com