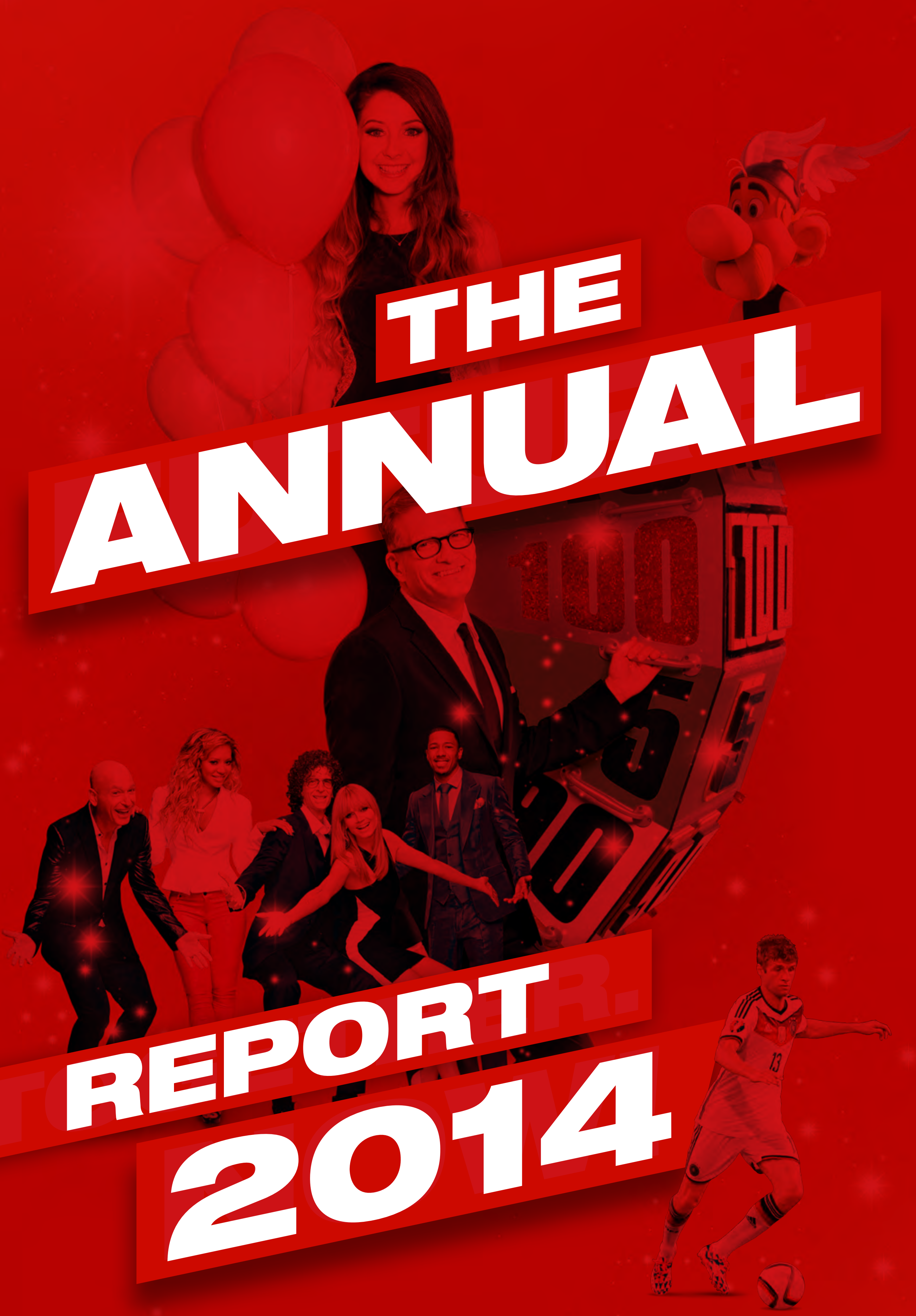
THE ANNUAL REPORT 2014

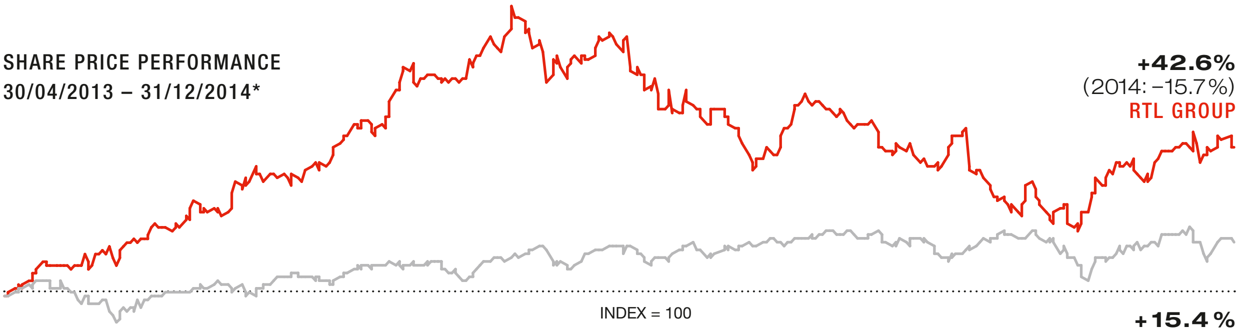


RTL GROUP


THE
FUTURE.
TOGETHER.
NOW!

KEY FIGURES

SHARE PRICE PERFORMANCE
30/04/2013 – 31/12/2014*



*RTL Group shares have been listed in the Prime Standard of the Frankfurt Stock Exchange since 30 April 2013

REVENUE
2010–2014 (€ million)

14	**5,808**
13	5,824*
12	5,998
11	5,765
10	5,532

*Restated for IFRS 11

EBITA
2010–2014 (€ million)

14	**1,145**
13	1,148*
12	1,078
11	1,134
10	1,132

*Restated for IFRS 11

NET PROFIT ATTRIBUTABLE TO RTL GROUP SHAREHOLDERS
2010–2014 (€ million)

14	**653**
13	870
12	597
11	696
10	611

EQUITY
2010–2014 (€ million)

14	**3,276**
13	3,593
12	4,858
11	5,093
10	5,597

MARKET CAPITALISATION*
2010–2014 (€ billion)

14	**12.2**
13	14.4
12	11.7
11	11.9
10	11.9

*As of 31 December

TOTAL DIVIDEND / DIVIDEND YIELD PER SHARE

	2010–2014 (€)	(%)
14	**5.50***	**6.8**
13	7.00**	10.0
12	10.50	13.9
11	5.10	6.6
10	5.00	6.5

*Including an extraordinary interim dividend of €2.00 per share, paid in September 2014
**Including an extraordinary interim dividend of €2.50 per share, paid in September 2013

CASH CONVERSION RATE*
2010–2014 (%)

14	**95**
13	106
12	101
11	104
10	110

*Calculated as operating pre-tax cash flow as a percentage of EBITA

PLATFORM REVENUE*
2011–2014 (€ million)

14	**220**
13	185
12	175
11	128

*Revenue generated across all distribution platforms (cable, satellite, IPTV) including subscription and re-transmission fees; figures not audited

DIGITAL REVENUE*
2012–2014 (€ million)

14	**295**
13	233
12	188

*Excluding e-commerce, home shopping and platform revenue for digital TV; figures not audited

ONLINE VIDEO VIEWS
2010–2014 (billion)

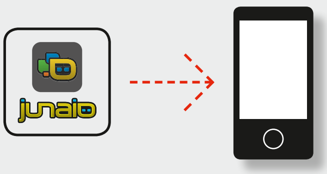
14	**36.4**
13	16.8
12	6.9
11	1.9
10	1.4

WATCH

THE RTL GROUP ANNUAL REPORT 2014 COME TO LIFE ON YOUR SMARTPHONE OR TABLET!

FOLLOW THESE STEPS FOR AN
INTERACTIVE EXPERIENCE:

1



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iOS or Android device

2

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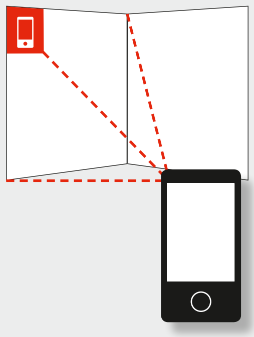
RTL GROUP

Open the app and scan
this icon to activate
the RTL Group channel

3



Whenever you see the
phone icon, scan
the page and the video
will start playing

ENJOY!

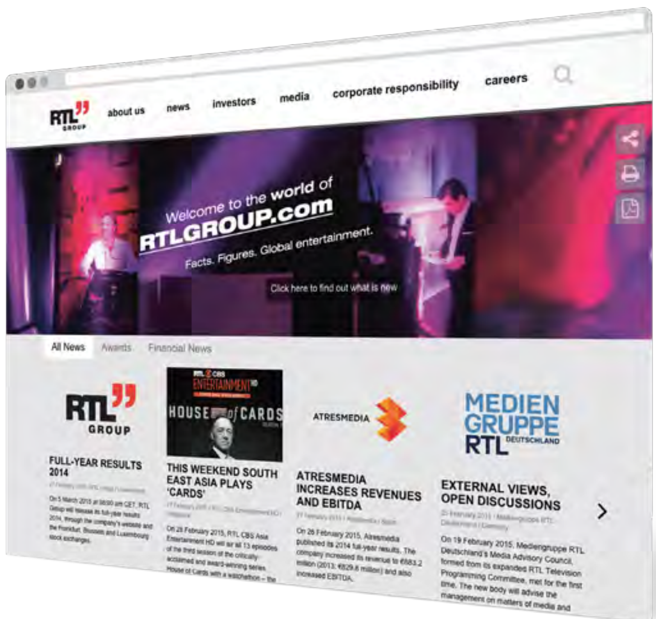
ANNUAL REPORT GOES DIGITAL!

Follow 'I Heart Alice' and other top German fashion bloggers on *Blogwalk.de*

The RTL Group Annual Report 2014 is also available online – featuring videos, interviews, and the interactive quiz with questions about the world of RTL Group.
→ Check it out at *RTLGroup.com/annual-reports*

RELAUNCH!

RTLGroup.com relaunched in February 2015. With a complete makeover, the new site aims to showcase everything that distinguishes the Group and its companies as leaders in broadcast, content and digital



SCAN THE PAGE NOW TO WATCH THE 2014 RTL GROUP YEAR IN REVIEW VIDEO!

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More co-operation across the Group.

More risk-taking.

More thinking outside the box.

"Collaborative leadership rules": on 8 April 2014, at a reception in Cannes during the 51st Mip TV, *Variety* honoured RTL Group's Co-CEOs, Anke Schäferkordt and Guillaume de Posch, with their inaugural 'Achievement in International Television Award'. *Variety*'s Associate Publisher, Donna Pennestri, said: "This Award is given to individuals who exhibit leadership, creativity and innovation in the global television marketplace. As Co-CEOs, Anke Schäferkordt and Guillaume de Posch have been the driving force behind RTL Group's incredible performance over the past couple of years and its recent expansion in online video. Their passion for content, combined with a long-term strategic approach, has boldly led RTL Group to tremendous success."

"We won't sit back and relax. We want to do more," said RTL Group's Co-CEOs about their future ambition, when they presented the record results for 2013.

In 2014, RTL Group succeeded in achieving three major financial goals in parallel: operating profitability remained at record levels, dividend payments were again among the most attractive in Europe, and the Group invested more than €240 million in rapidly growing digital businesses and content.

We talked to Anke Schäferkordt and Guillaume de Posch about RTL Group's performance and investments in 2014 – and, above all, about their plans to continue to transform RTL Group into an even stronger global force in broadcast, content and digital.

Let's start with a classic question: how did RTL Group perform in 2014?

ANKE SCHÄFERKORDT: Despite challenging environments in France and Hungary, RTL Group once again delivered a very strong set of financial results. With another record year from our biggest profit contributor, Mediengruppe RTL Deutschland, our EBITA remained at the previous year's record level, and the EBITA margin was again close to 20 per cent. And despite more challenging market conditions than Germany, our TV broadcasters in the Netherlands, France, Belgium and Croatia also delivered higher or stable profits.

GUILLAUME DE POSCH: In addition, we made significant progress in implementing our strategy across broadcast, content and digital. We successfully launched three new linear TV channels and invested more than €240 million to acquire rapidly growing digital businesses and the US production company 495 Productions. This is the highest investment level for acquisitions since 2005. So overall, 2014 was another very successful year for RTL Group, thanks to our highly dedicated staff and management teams.

Why was net profit down, despite a stable EBITA?

GUILLAUME DE POSCH: This was principally due to large movements in impairment charges. In 2014, RTL Group recorded a goodwill impairment on RTL Hungary amounting to €77 million, triggered by a punitive advertising tax of up to 50 per cent which came into effect in Hungary in the second half of the year. Conversely, RTL Group's net profit for 2013 included a significant positive one-off effect of €72 million, resulting from the reversal of an impairment on our holding in the Spanish broadcasting company Atresmedia. So the swing was €149 million.

The mentioned advertising tax also strongly reduced the EBITA of RTL Hungary. It caused significant financial damage for RTL Group in 2014. Nevertheless, we have always made it very clear that RTL is, and will remain, deeply rooted in Hungary, and we filed a complaint against the tax with the European Commission. Against this background, the Hungarian Government recently announced plans to amend the advertising tax law. Although we shall end up paying more taxes than previously, we would of course welcome an amendment not only for us, but also as an important and positive signal for all international investors in Hungary.

ANKE SCHÄFERKORDT

"All dividends for the fiscal year 2014 – totalling € 5.50 per share – represent a dividend yield of 6.8 per cent. This is clearly among the most attractive in Europe."

Dividend payments are a key element of RTL Group's equity story. What will be the proposed dividend for 2014?

GUILLAUME DE POSCH: In September 2014, we paid an extraordinary interim dividend of €2.00 per share as an advance for the fiscal year 2014. In addition, RTL Group's Board of Directors has proposed a final dividend of €3.50 per share for the fiscal year 2014. This proposal is a reflection of the Group's strong cash flows, future investment plans and target leverage factor.

ANKE SCHÄFERKORDT: Based on our average share price on the Frankfurt Stock Exchange in 2014, all dividends for the fiscal year 2014 – totalling €5.50 per share – represent a dividend yield of 6.8 per cent. This is clearly among the most attractive in Europe. In total, we will pay €851 million in dividends for the financial year 2014.

Do you plan to make further acquisitions in 2015 and beyond?

ANKE SCHÄFERKORDT: As demonstrated in 2014, our strong cash flows allow us to combine attractive dividend payments with significant investments. Our first priority has always been to further develop our Group, to make the right investments and achieve profitable growth. Clearly, we won't change our strict investment criteria. But with profit margins at high levels for most of our families of channels, and with mature TV and radio advertising markets in Europe, it's imperative to find the next growth drivers for our Group. A full-year EBITDA of €1.3 billion gives us a comfortable headroom for investments. And this does not include our recurring investments in programming, which is – and will remain – the heart of our business.

GUILLAUME DE POSCH: Growing the Group through acquisitions may affect our short-term profitability. From investments in growing companies or start-ups we simply cannot expect the profit margins of 20 to 30 per cent we currently generate with our strong and established families of channels. However, we are ready to accept these longer payback phases for new investments – especially with investments that further strengthen our digital businesses, as they will be key in making our Group future-proof.

Let's have a look at the future of RTL Group's three main pillars – broadcast, content and digital. To start with, what are the main challenges in the broadcasting business?

ANKE SCHÄFERKORDT: Above all, fragmentation of audiences and devices in the digital world makes our business more complex. It's getting more challenging to generate mainstream hits – meaning blockbuster formats that reach mass audiences. This is why broadcasters and producers around the globe are relentlessly searching for 'the next big hit'. What format has the potential to become the new *Idols* or *Big Brother*? Instead of new, real stand-out hits, what we've seen in recent years is a series of smaller hits – formats such as *Take Me Out*, *Shopping Queen* and *Berlin – Tag und Nacht*.

In a more complex digital world, our broadcasters have successfully tapped into new revenue streams. Yes, they still earn most of their money by selling 30-second commercials. TV advertising will remain indispensable for advertisers to build brands and to connect emotionally with their customers. But we have moved from one revenue stream to many. In some of our countries we now operate digital basic pay channels. We negotiate with platform operators to earn distribution revenues for our HD signals or for our on-demand services. And our platform revenue is growing fast, increasing by almost 19 per cent to €220 million in 2014.

What more can RTL Group do to respond to this challenge?
GUILLAUME DE POSCH: First of all, as Anke already pointed out, we always invest in the core of our business – programming. The programme grids of our channels are not based on a few, isolated 'outperformers', but on a diverse slate of own-produced formats and acquired programmes. Nor are our ratings built on expensive output deals or sports rights. In many cases, we have a solid leadership across many time slots and throughout the whole week, based on a variety of genres.

ANKE SCHÄFERKORDT: Therefore, finding the new hits – big and small – is a joint priority for both our broadcasters and for FremantleMedia. We have a unique combination of a pan-European broadcasting group and a worldwide leader in content production. But we have to leverage our assets more strongly – and this includes closer co-operation across the Group.

Our broadcasters won't wait and hope that the next big hit will come from the international markets. We constantly ask ourselves what content will help us score with viewers in the future. We strongly believe in having our own exclusive formats that are shown only on our channels. As a consequence, we invest in development, starting our own initiatives. In other words: create, try and buy. We are already relying on this strategy, but we want to pursue it more aggressively.

The same is true for FremantleMedia which has a major competitive advantage in being part of RTL Group: with our families of channels, we also have the platforms and the time slots to try out FremantleMedia's new formats.

Talking about RTL Group's second pillar, content. What is your view on the current wave of consolidation in the international content production industry – and what does it mean for FremantleMedia?
GUILLAUME DE POSCH: The reasons for this consolidation are defensive and offensive at the same time. On the one hand, the theory is that 'the bigger you are, the safer you are' because you can spread your risks across a larger geography or more content genres. On the other hand, being a larger content provider allows you to be a bigger supplier to new platforms such as Netflix and Amazon.

Strengthening the creative pipeline – and ultimately improving the profit margin – of FremantleMedia requires targeted investments in new talents, genres and geographical areas, as recently demonstrated with the acquisition of 495 Productions.

GUILLAUME DE POSCH

"We always invest in the core of our business – programming. In many cases, our channels have a solid leadership across many time slots and throughout the whole week, based on a variety of genres."

This acquisition allows our content arm to expand its share of the valuable US cable market and complements and diversifies the company's existing portfolio of content and clients in the biggest TV market in the world. With FremantleMedia, we have a crown jewel in our portfolio – and we are all convinced and committed to be an active player when it comes to further consolidation. In a nutshell: we clearly aim to further scale up our global content arm.

RTL Group may have leading market positions in broadcast and content. But what about pillar three, your digital businesses?
ANKE SCHÄFERKORDT: Online video is at the heart of our digital strategy – and it's the focus of our investments in this space. RTL Group has beefed up its position in digital and now owns majority stakes in the number one multi-channel network for fashion, beauty and lifestyle, StyleHaul; the number three global MCN, BroadbandTV; the number one European MCN, Divimove; and one of the top five global platforms for programmatic video advertising, SpotXchange.

As a result, our total online video views have soared from 7 billion to more than 36 billion over the past two years. We have become the leading European media company in online video, currently generating 5.3 billion online video views per month. So with our recent investments, we've accelerated our digital strategy. Now it will be our joint task to develop our rapidly growing reach in online video into a more significant and profitable third pillar of RTL Group. And we're making progress: in 2014, our digital revenue grew strongly, by almost 27 per cent to €295 million, admittedly from a small base. We are confident that these digital businesses – combined with additional investments in the digital space – will reach such scale over the next three years that they will become one of the growth drivers of RTL Group's total revenue.

How will you integrate the recent acquisitions into RTL Group?
GUILLAUME DE POSCH: We will create a new digital hub in 2015. The mission for the team of the hub will be to further synergise the newly acquired digital businesses into RTL Group – to support their international expansion and to foster collaboration and knowledge exchange.
ANKE SCHÄFERKORDT: One major task for the Group is to establish and develop the right business models, so that in the future it really won't make a difference, in financial terms, on which devices and services viewers watch our content. Our business is about creativity and storytelling – and clearly, we will remain a content company. But in addition, state-of-the-art technology has become a key driver for the media industry, from online advertising sales to audience measurement and video recommendations.

GUILLAUME DE POSCH

"RTL Group has everything it needs to seize the opportunities of the digital media world: excellent people, a highly profitable core business and a fantastic entrepreneurial DNA."

ANKE SCHÄFERKORDT

"We foster change by creating an environment where our creative talents and executives can thrive, and try out new things. I would even say that we should reinvigorate the famous 'RTL pioneering spirit' when we shook up the established world of the public broadcasters."

As a consequence, we will further expand our data and technology-based competencies. That is why the acquisition of SpotXchange was such an important and structural move into the area of digital monetisation. The Denver-based company has a first-class management team that has built a leading, state-of-the-art platform for programmatic selling of online video advertising – and SpotXchange is growing at impressive rates.

In online video, what is your strategy for competing with US companies such as Youtube, Apple, Amazon, Facebook and Netflix?

GUILLAUME DE POSCH: While we have a long-established tradition of running our broadcasting operations on a decentralised, country-by-country basis, most of these tech and internet giants operate globally. They haven't even heard of our European 'Schengen frontiers'! To compete will increasingly require a co-ordinated response from RTL Group. To grow market-leading positions on all digital platforms, we will rethink our local approach to some extent. This is not about changing our culture of decentralisation. However, digital transformation will lead to closer co-operation across our business units. For example, FremantleMedia is already producing exclusive content for StyleHaul. SpotXchange and RTL Nederland recently announced the launch of a joint venture for the Benelux region. Closer co-operation may also result in setting up cross-unit expert teams to acquire new digital assets – because the know-how we have in the local markets is the key to success.

Our international presence and the variety of skills we have are unique in our industry. We will increasingly make use of this strength. Let's be clear: this is a path we have begun to take, but we will intensify our efforts, striving for permanent improvement and innovations.

How do you intend to foster this cultural change and challenge?

ANKE SCHÄFERKORDT: For us in management it means creating an environment where our creative talents and executives can thrive, and try out new things. I would even say that we should reinvigorate the famous 'RTL pioneering spirit' when we shook up the established world of the public broadcasters. More co-operation, more risk-taking, and more thinking outside the box will ultimately result in more speed. More speed in developing new formats, in rolling them out across our international footprint, and also more speed in launching digital initiatives.

GUILLAUME DE POSCH: Let me summarise: we have already accelerated our development into a global force in broadcast, content and digital. There are plenty of opportunities for us in the digital media world because people watch more and more video content on more and more devices and screens. RTL Group has everything it needs to seize these opportunities: excellent people, a highly profitable core business and a fantastic entrepreneurial DNA.

Got Talent, recognised by the Guinness World Records as the most successful reality format

RTL GROUP TODAY: A LEADER ACROSS BROADCAST, CONTENT, DIGITAL

The roots of RTL Group date back to 1924, when Radio Luxembourg first went on air.

Since then, we have undergone many transformations – through mergers, strategic partnerships and acquisitions.

During our journey from radio to TV, and now to a converging digital media world, some things have remained constant: our innovation and pioneering spirit; and the fact that we have always been market leaders.

With our strong families of channels we are the number one commercial broadcaster in Europe. And with FremantleMedia, we are a global leader in content production. We've also succeeded in becoming the leading European media company for online video.

But we won't rest on our laurels. We want to do more.

We have set ourselves four major tasks in our efforts to continue RTL Group's success story.

From animated 3D production *Astérix* to football and fashion bloggers – RTL Group offers its audiences the broadest possible diversity in entertainment

Ich bin ein Star – Holt mich hier raus! guarantees stellar ratings for RTL Television, in all demographics

TV is about creativity, storytelling and having a close relationship with the audience.

Keeping our established hit formats fresh and alive, and adapting them to the changing tastes of our audience, has clearly been one of RTL Group's biggest strengths.

However, creating and establishing the next successful format for a mass audience is becoming ever-more challenging in today's highly fragmented digital world.

This is why we invest significantly in programme development and in acquiring new formats and rights.

Finding the new hits – both big and small – is a shared priority for both our broadcasters and our content production arm, FremantleMedia.

StyleHaul's famous vlogger, Zoella, is a true Youtube influencer, with over 7.5 million subscribers

...TO BE THE BEST IN ONLINE VIDEO...

TASK NO.2

Bars & Melody – Simon Cowell's chosen 'Golden Buzzer' act on *Britain's Got Talent* reached over 66 million views on Youtube

2:15 / 8:32

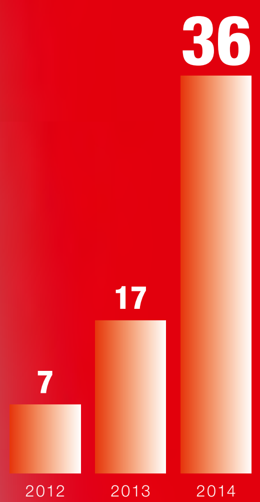
We always want to be where our audiences are – and so we want RTL Group to become a global force in online video.

We are constantly expanding our advertising-funded catch-up TV services, making them available on all devices and platforms.

We create original content for digital platforms.

And finally, we are aiming for a strong short-form video presence through our own platforms or our multi-channel networks, BroadbandTV and StyleHaul. This is an important opportunity, as multi-channel networks offer access to global audiences on a significant scale.

More than 80 per cent of our 5.3 billion monthly video views are already outside our principal broadcasting territories, and we expect substantial further growth.



Online video views
(in billion)

The Price Is Right retains its status as the number one daytime show in the USA

TASK NO.3

...TO BE THE BEST AT MONETISING...

Advertising budgets follow eyeballs: online video advertising is currently the fastest-growing digital advertising segment.

To better monetise our rapidly growing digital reach will require new skills and resources – skills like aggregation and production of short-form video, and in advertising technology.

In 2014, RTL Group acquired a majority stake in SpotXchange – one of the largest global marketplaces for digital video advertising. This investment is a structural move into the area of digital monetisation – improving our opportunities by adding innovative data and technology-based capabilities.

+24%

Estimated Compound Annual Growth Rate (CAGR) of online video advertising between 2014 and 2018

TASK NO.4

… TO ENSURE THAT WE HAVE THE BEST PEOPLE.

RTL Group has a strong and long-standing DNA that combines creativity and boldness in programming strategies with a prudent business approach.

But we also believe we have to become ‘hungrier’ again – hungry for the next acquisition, the next big hit, the next scoop – to remain a leader in innovation.

Competing with the global internet giants, we will make the best use of our assets. This requires closer co-operation across broadcast, content and digital.

Above all, we need the best people. We need expertise across the board – the programme maker, the sales guy, the strategist, the techie – all bring different perspectives to the table.

We follow new paths and create an atmosphere where our people are inspired to try out even more new ideas, and take more risks – and where they feel responsible for the results.

Our **FUTURE** lies in fostering creativity and innovation.

TOGETHER we can take advantage of our global scale, if we succeed in closer and more open collaboration.

Because **NOW** we have the chance to shape our future.

As RTL Group's Annual Report 2014 demonstrates, we have already started this new journey.

THE FUTURE. TOGETHER. NOW.

Images from RTL Group's Management Congress 2014 in Hilversum/Amsterdam

24 QUESTIONS AROUND THE WORLD OF RTL GROUP

TRY IT OUT!

CHECK IT OUT!

A lot has happened at RTL Group in 2014 – across broadcast, content and digital.

To convey the highlights in a somewhat different way, we've developed The Quiz. Here you can explore the top stories in an entertaining way by testing your knowledge of the world of RTL Group. To check if you are right or wrong, just hold the red plastic sheet over the red dots and the right answer will appear.

HOW WELL DO YOU REALLY KNOW RTL GROUP?

You can also try The Quiz online at
www.rtlgroup.com/annual-reports

1

SHOW

Which act appeared on *RTL Late Night* in the Netherlands in 2014?

DAVID GUETTA

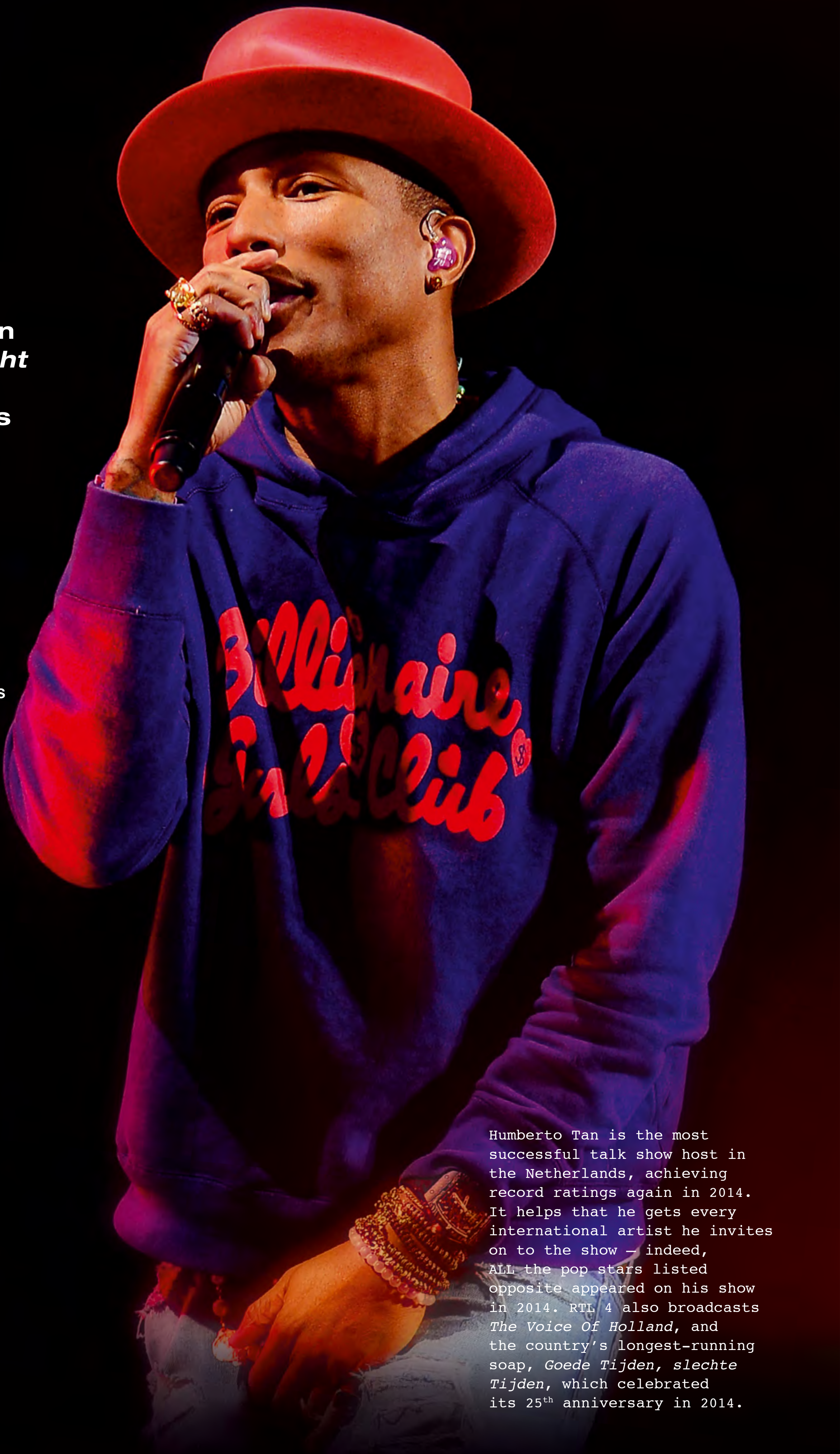
PHARELL WILLIAMS

ONE DIRECTION

PAOLO NUTINI

ED SHEERAN

STROMAE



Humberto Tan is the most successful talk show host in the Netherlands, achieving record ratings again in 2014. It helps that he gets every international artist he invites on to the show – indeed, ALL the pop stars listed opposite appeared on his show in 2014. RTL 4 also broadcasts *The Voice Of Holland*, and the country's longest-running soap, *Goede Tijden, slechte Tijden*, which celebrated its 25th anniversary in 2014.

2

CONTENT

Who's wallowing in the mud here? The cast of…

- DRINK, DRIVE AND PARTY
- PARTY DOWN SOUTH
- I AM DIRTY AND I LIKE IT

If you're watching young people partying, flirting, arguing and trading insults on TV, chances are you're watching one of 495 Productions' reality shows. Since its establishment in 2006, the Los Angeles-based production company has risen to become one of the largest and most creative producers of reality shows in North America. The best-known 495 Productions series is *Jersey Shore*, the most successful MTV show of all time, with versions in many countries, including the United Kingdom, Russia, Spain, Poland and Mexico. Other high-rating productions currently on air are the talk show *The Real* and the MTV series *Snooki & Jwoww*. RTL Group's content production arm, FremantleMedia, acquired 75 per cent of 495 Productions in 2014 – with an option to purchase the remaining 25 per cent.

3

SPORT

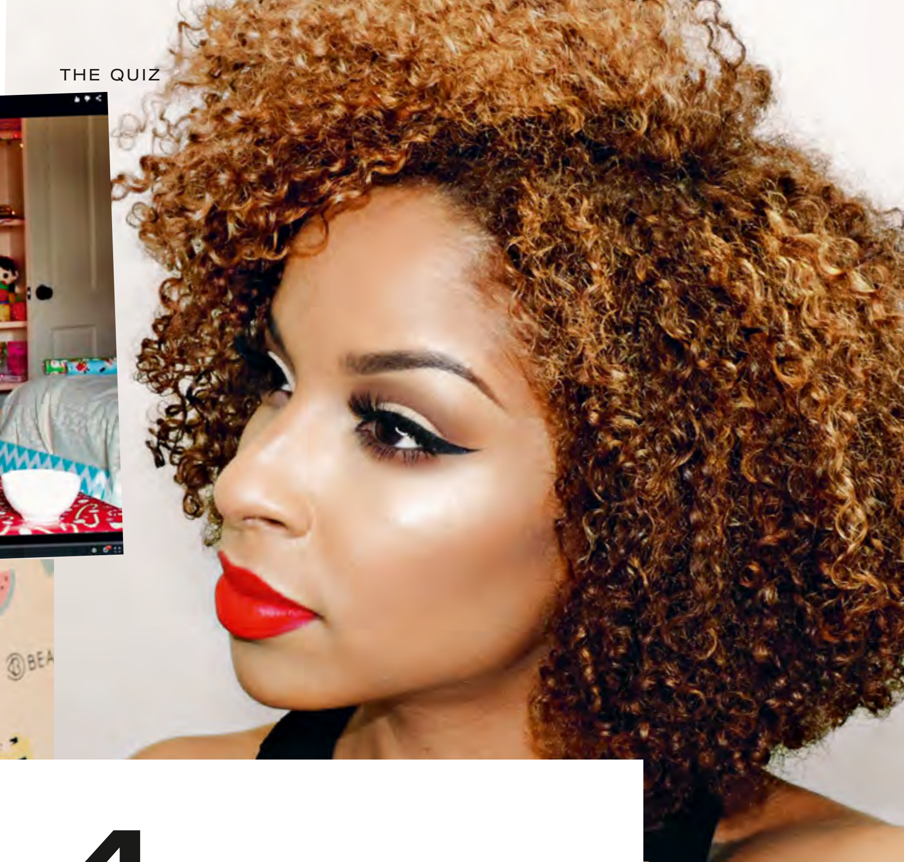
In the last European Championship and in the World Cup qualifiers, Germany scored a sensational 70 goals in 20 games – more than ever before! RTL Television secured an exclusive package to broadcast all of Germany's qualifying matches for football's biggest international tournaments. The first European Qualifier match on 7 September 2014, was celebrated with a four-hour football evening featuring the newly crowned world champions – and also with a win against Scotland, with only two German goals this time. 10.9 million viewers tuned in.

How many goals does the German national football team score in an average qualifying match?

1.5

2.5

3.5



4

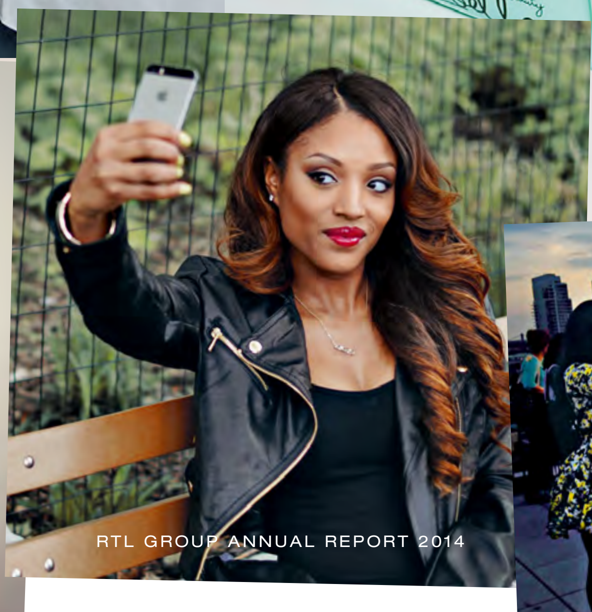
DIGITAL

How many video views did StyleHaul reach in 2014?

900,000

90,000,000

9,000,000,000



In December 2014, RTL Group acquired a majority stake of 94 per cent in StyleHaul – the leading beauty, fashion and women's lifestyle multi-channel network. The company is home to more than 5,200 content creators and generates 1 billion views each month – StyleHaul proves how Youtubers are becoming the new influencers in the digital media world, offering brands new marketing opportunities. Co-founded in 2011 by Stephanie Horbaczewski, StyleHaul videos are now streamed in more than 62 countries, and attract over 220 million subscribers.

5

AWARDS

Where is the *Generation War* team shown celebrating yet another award?

THE SAN SEBASTIÁN FILM FESTIVAL

THE BERLINALE IN BERLIN

THE INTERNATIONAL EMMY AWARDS IN NEW YORK

The mini-series *Unsere Mütter, unsere Väter* (Generation War), a UFA Fiction production in partnership with SundanceTV, has been one of the most successful German productions on the international TV market in recent years. It was sold in more than 150 countries – and almost all channels that broadcast it recorded above-average ratings. The series also won the German Television Award in 2014.

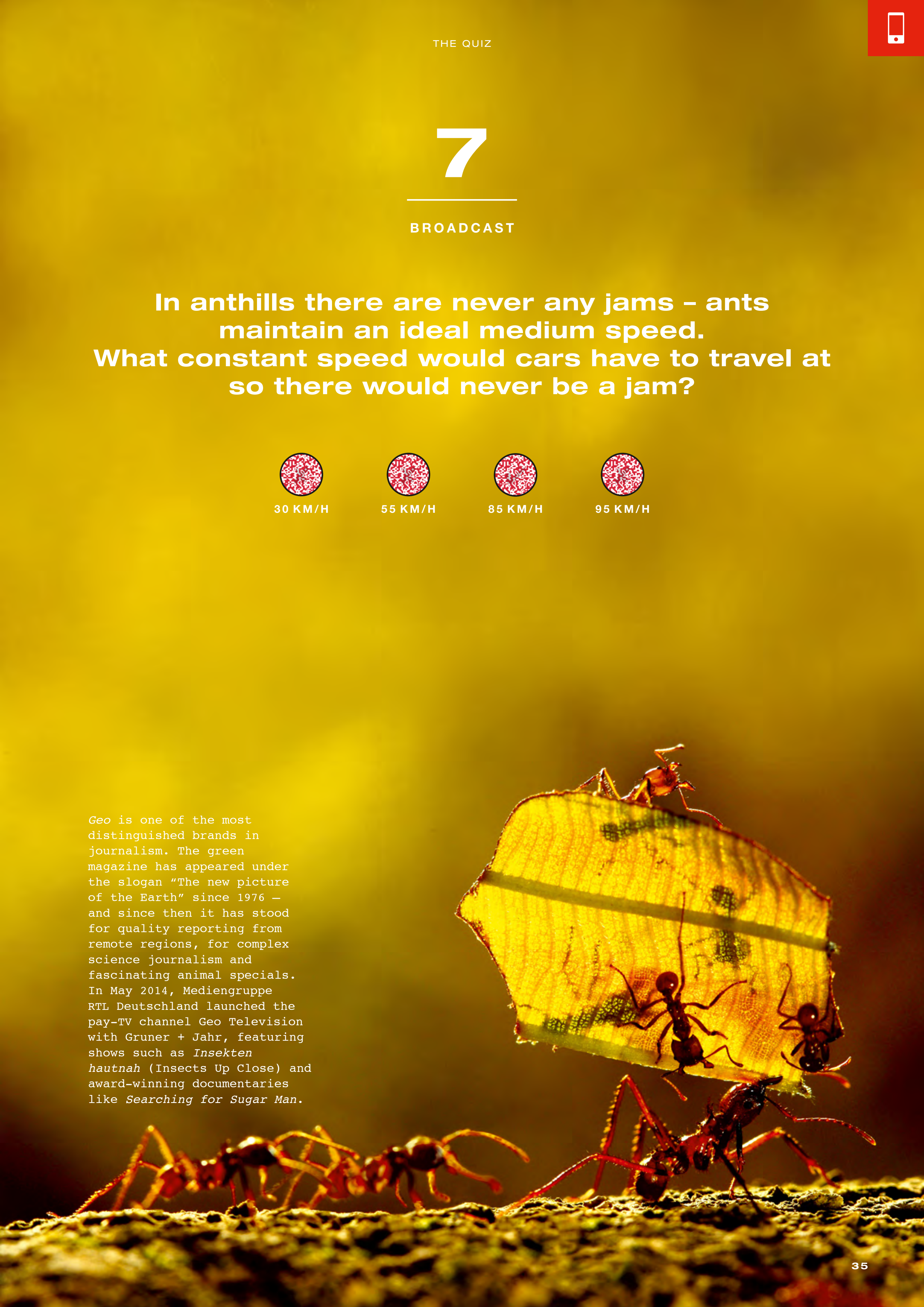
Nieuwe Buren (New Neighbours) is the TV adaptation of the eponymous bestseller by Dutch author Saskia Noort. The 10-part series is about the deep chasms that lie behind the smooth facades of Dutch suburbia: sex, intrigue and betrayal. In 2014 RTL 4's in-house production was one of the most successful shows on Dutch television.

6

DRAMA

What hobby do new neighbours Eva and Peter enjoy in the hit series *Nieuwe Buren*?

- ILLEGAL STREET RACING
- THEY PRODUCE DRUGS IN THE BASEMENT
- THEY ARE ENTHUSIASTIC SWINGERS



7

BROADCAST

In anthills there are never any jams – ants maintain an ideal medium speed. What constant speed would cars have to travel at so there would never be a jam?

30 KM/H

55 KM/H

85 KM/H

95 KM/H

Geo is one of the most distinguished brands in journalism. The green magazine has appeared under the slogan “The new picture of the Earth” since 1976 – and since then it has stood for quality reporting from remote regions, for complex science journalism and fascinating animal specials. In May 2014, Mediengruppe RTL Deutschland launched the pay-TV channel Geo Television with Gruner + Jahr, featuring shows such as *Insekten hautnah* (Insects Up Close) and award-winning documentaries like *Searching for Sugar Man*.

8

INFORMATION

In 2014, *Team Wallraff* conducted an undercover investigation into Burger King restaurants. What deplorable condition did they NOT uncover?

SHELF LIFE
the sell-by dates of food products were manipulated

CLOTHING
All employees had to wear clown costumes during carnival

CONTENT
Burger King paid employees far less salary than they agreed to in a public commitment

Günter Wallraff is an icon of German journalism. Since the 1960s he has frequently gone undercover to investigate cases of social grievances. He has worked for RTL Television since 2012, and *Team Wallraff – Undercover-Reporter decken auf* has been on air since 2013. His shows attract an average audience share of 19.6 per cent in the 14–59 target group, and in 2014, Wallraff won a German Television Award in the Best Feature category for his work.

9

NEWS

How many square metres is the new screen in the *RTL Info* newsroom?

8

18

28

RTL Belgium's flagship channel RTL-TVI is the leading channel in French-speaking Belgium, in part thanks to its hugely successful news shows. In the TV season 2013/14, the evening news bulletin attracted a total audience share of 43.5 per cent. In December 2014, RTL Belgium revamped its news programmes with a more dynamic and modern look and feel. The kick-off of *RTL Info* attracted 49.9 per cent of the target group, shoppers aged 18 to 54. The changes, including the introduction of the panoramic studio screen, bring greater fluidity to on-air broadcasts and enable improvements to its production procedures and editorial process.

10

SHOW

What do I really know?

1

Who do celebrities usually test their general knowledge against on *Qu’est-ce que je sais vraiment?*...

- 20 police officers
- 10 professors
- 300 students

2

Who presents the show?

- Karine Le Marchand and Stéphane Plaza
- France Gall and Gérard Depardieu
- Nicolas Sarkozy and Catherine Deneuve

3

The show is an interactive quiz. How can viewers join in?

- Homepage
- Teletext
- App

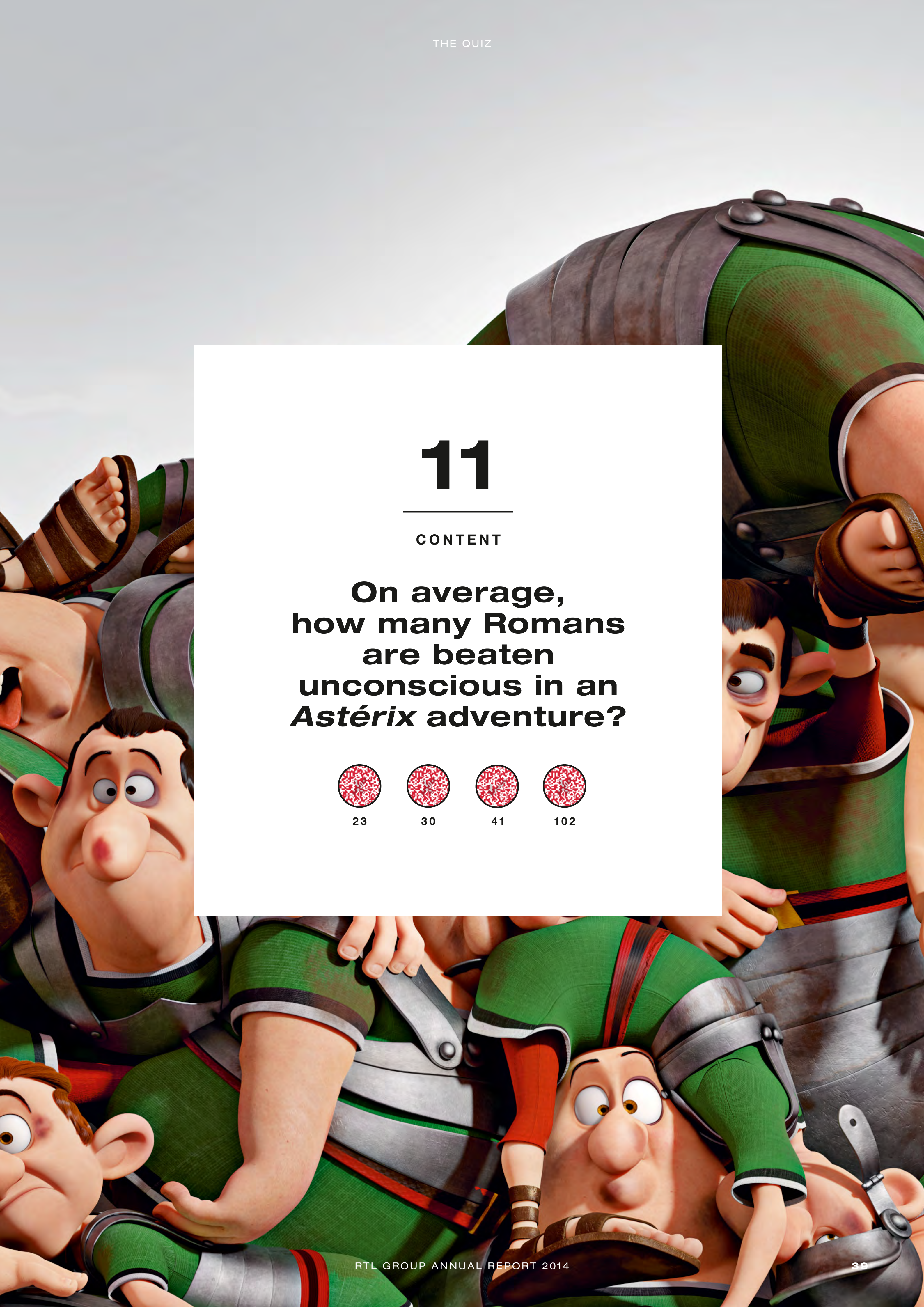
4

The questions are about general knowledge. For example: what do you call the hip-hop dance performed on the floor?

- Popping
- Sidewalk
- Breakdance

Qu’est-ce que je sais vraiment? has aired on the French channel M6 every Thursday since March 2014. The popular family quiz is watched by an average of over three million viewers. For the first time in France, M6 launched a second-screen operation that allows viewers to respond in real time to the questions asked on the show and to compare answers with the on-air participants. The threshold of simultaneous connections quickly reached the pre-set limit of 500,000 participants on the 6play application – a record for a second-screen application.

In November 2014, *Astérix – Le Domaine des Dieux* (Asterix: The Mansions Of The Gods) was released in French cinemas. The film surpassed all expectations: in the first week alone, around 780,000 people went to see it. The elaborately animated 3D film was produced by Groupe M6, France's second largest commercial broadcaster, in which RTL Group owns a 48.6 per cent stake. The movie has been sold to around 50 countries.

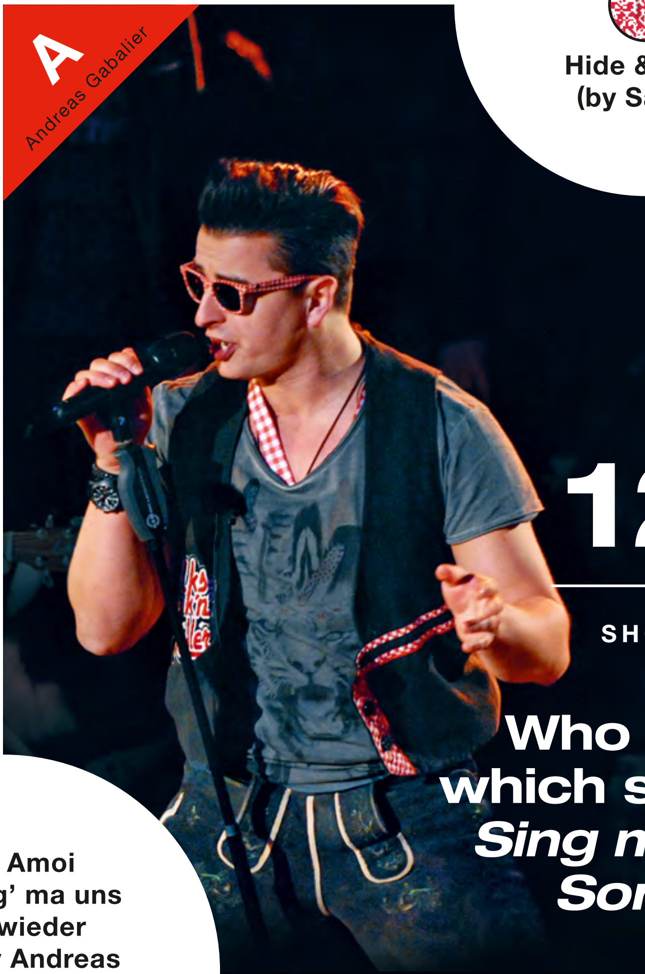


11

CONTENT

On average, how many Romans are beaten unconscious in an *Astérix* adventure?

23 30 41 102



Hide & Seek
(by Sasha)

12

SHOW

Who sang which song on *Sing meinen Song?*

Amoi seg' ma uns wieder (by Andreas Gabalier)

Open your Eyes (by Sandra Nasić)

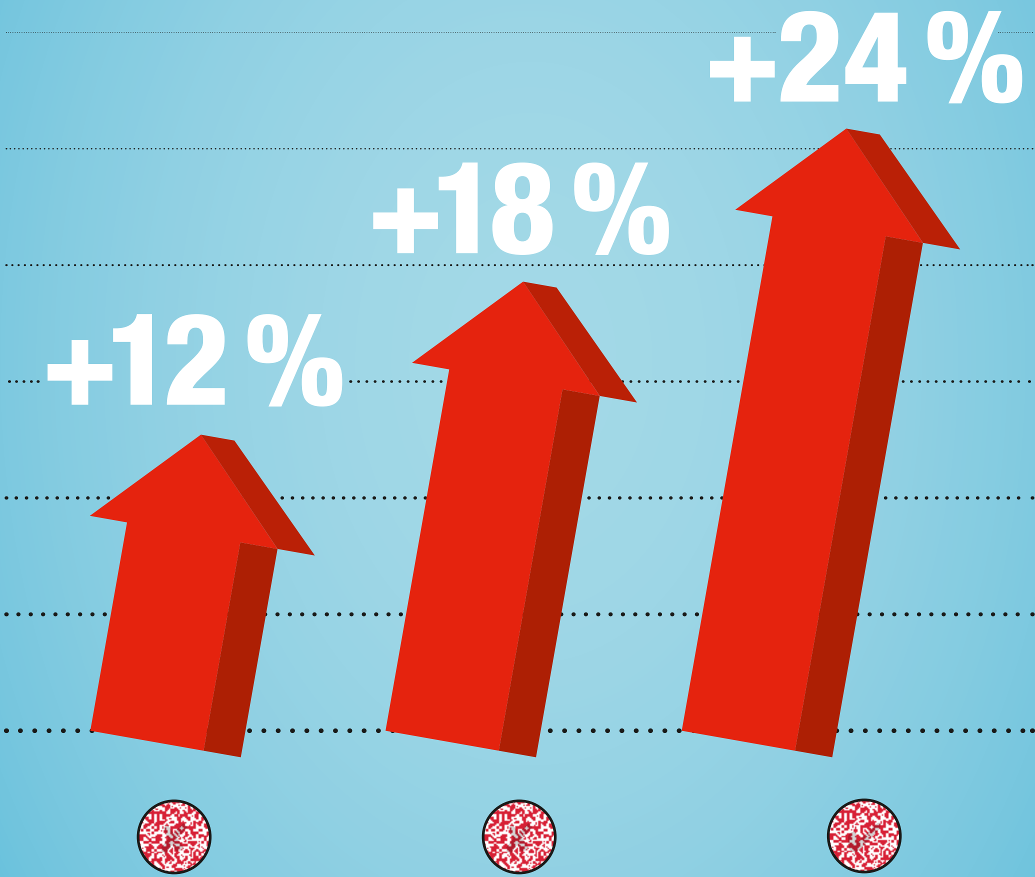
The successful German singer Xavier Naidoo invites fellow musicians like Sasha and Sarah Connor to South Africa to stay together and cover each other's songs – and everyone wants to watch. *Sing meinen Song – das Tauschkonzert* achieved an average audience share of 9.1 per cent in the target group. The show even won a 2014 German Television Award in the Best Entertainment category. A second series begins on Vox in May 2015.

Dieser Weg
(by Xavier Naidoo)

13

DIGITAL

By what percentage is the market for online video advertising expected to grow between 2014 and 2018?



Digital advertising is a billion-euro business. And online video advertising is its fastest growing segment. But what happens when we click on an online video? More than you think: the user data is transmitted to a saleshouse for online video advertising and within milliseconds an auction is held in which a commercial is sold to the highest bidder. SpotXchange is one of the biggest players in this sector. Every day, over three billion ad decisions in over 100 countries are processed on this platform. The growth in online video advertising is largely driven by 'programmatic video advertising', which SpotXchange specialises in. Here, RTL Group expects annual growth rates of more than 40 per cent. In 2014 RTL Group acquired a majority stake of 65 per cent in SpotXchange.

14

BROADCAST

How are the urban climbers in the series *Don't Look Down* secured?

WITH CLIMBING ROPES

WITH PARACHUTES

THEY AREN'T

Could things get any wilder? Yes! For example, on RTL CBS Extreme HD, the new English-language channel launched by Singapore-based RTL CBS Asia Entertainment Network. The channel serves eight countries in South East Asia with breathtaking shows – including the documentary series *Don't Look Down*. Here, urban free-climbers scale cranes, radio towers and similar buildings – without a safety net, or any other backup. RTL CBS Extreme HD went on air in spring 2014 – RTL Group's second channel launch in the fast-growing Asian markets within a year. It is aimed at a male audience, with content ranging from action series to extreme sports.

15

SHOW

What start-up idea prevailed in *Die Höhle der Löwen*, the German edition of *Shark Tank*?

LE PETIT RAISIN

Wine glasses to go, vacuum-sealed and filled with Chardonnay

COLOURCORD

Corduroy pants that change their colour to match the season and thanks to a special laundry detergent

PET LOAD

A transport service that uses drones to pick up city dogs from their balconies to go for their walk

Die Höhle der Löwen (Shark Tank/Dragons' Den) was a surprise success on German television. On the Vox show, would-be entrepreneurs present their business ideas to the 'sharks' (or in the German version, 'lions') – five seasoned businesswomen and businessmen including action-event specialist Jochen Schweizer and tourism expert Vural Öger. If they like one of the ideas presented, they actually participate in the start-up with an agreed budget – making it possible to turn the business idea into a reality. With market shares up to 9.7 per cent (14–59 target audience) for the first eight episodes, the show generated impressive ratings for Vox. *Die Höhle der Löwen* was nominated for the 2015 Grimme Prize in the Entertainment category.

16

BROADCAST

'Kockica' is Croatian – but what does it mean?

DICE – THE NEW CHILDREN'S CHANNEL

SPOON – THE NEW COOKING CHANNEL

With the launch of RTL Kockica – the channel has been on air since the beginning of January 2014 – RTL's Group's Croatian offshoot, RTL Hrvatska, filled a gap in the market. The children's and youth channel is the third channel in RTL's Croatian family and is aimed at a younger audience than the main channel, RTL Televizija (target group: 18 to 49 demographic), and RTL 2 (18 to 35). And the launch was promising: in 2014, RTL Kockica scored an average audience share of 17.2 per cent among children aged 4 to 14.

Antonia Rados is one of the world's most experienced and renowned foreign reporters. She has worked for RTL Television since 1995, and since 2009 as Chief Foreign Correspondent. Antonia Rados has visited almost every trouble spot in the Middle East, the Balkans and Africa. In September 2014, she attracted international attention with a series of reports broadcast from combat zones in Syria and Iraq – currently the most dangerous places in the world. There she met victims, opponents and fighters of the 'Islamic State' terrorist group.

17

NEWS

How many times has Antonia Rados travelled to Afghanistan for RTL Television?

5 7 17 20

Got Talent?

In which country does which star sit on the jury of the most successful television show of all time?

With 500 million viewers in 193 countries and a total of six billion Youtube hits, *Got Talent* has officially been named 'Most Successful Reality TV Format' of all time by the Guinness World Records. Since 2014, the talent show – co-produced by Simon Cowell's Syco and FremantleMedia – has also been on air in countries as diverse as Kenya, Mexico and Myanmar, with Mongolia soon to follow. 66 markets now have their own versions of the show, led by the US version, which in 2015 enters its tenth season.

RED CARPET!

19

AWARDS

The most important TV award in the Netherlands is the ‘Gouden Televizier’. How many of the five prizes went to RTL in 2014?

1 2 3

2014 was an exceptional year at RTL Group for awards and accolades. For example, in the Netherlands, RTL won three of the five Gouden Televizier Awards – the country’s foremost TV awards – including Best Female Presenter (Chantal Janzen) and Best Male Presenter (Humberto Tan). Small wonder, considering RTL went into the running with eight nominations for the five awards in total. Other awards won by RTL Group in 2014 include the German Television Award in the category ‘Best Series’ for *Danni Lowinski* (UFA Fiction) and in ‘Best Docutainment’ for *Shopping Queen* (Vox), while the German Radio Award for the country’s best morning show went to *Arno & und die Morgencrew* on 104.6 RTL.

In France, RTL’s radio broadcasts generate nationwide audience ratings otherwise only achieved by TV channels: Yves Calvi, the new host of *RTL Matin*, immediately scored 12.8 per cent of the market with his morning show. Even more astonishing are the ratings achieved by Laurent Ruquier, who joined RTL from Europe 1 with a very special task: to succeed the iconic 85-year-old presenter Philippe Bouvard, who had moderated the show *Les Grosses Têtes* since 1977. Ruquier immediately attracted 15.8 per cent of the market. Now the two popular new presenters Ruquier and Calvi have appeared in a commercial together under the heading *Le RTL Check*. In the past five years, 90 per cent of the programme has been revamped. One reason for RTL Radio’s unbroken success in France: innovation and tradition.

20

RADIO

Since the successful changeover of *Les Grosses Têtes* with Laurent Ruquier in September 2014, how many podcast downloads of RTL Radio’s cult show has been registered each month?

3.9 MILLION 4.1 MILLION 4.3 MILLION

Ich bin ein Star – Holt mich hier raus! (I'm A Celebrity – Get Me Out Of Here!) scores some of the highest ratings on German television. In 2014, the reality show attracted an average of 7.97 million viewers with an average audience share of 39.5 per cent in the target group of viewers aged 14 to 59.

21

SHOW

FOR REAL?
Which of the following bushtucker trials really happened? (And which did we invent for this quiz?)

DEVIL'S KITCHEN
The contestant had to scoop rotten meat full of cockroaches onto kitchen scales

THE INTESTINES BATH
The contestant had to submerge in a bathtub full of sheep's intestines

ALL YOU CAN EAT
The contestant had to eat roasted sheep's brains, live mealworms and turkey testicles

BOX YOUR WAY THROUGH
The contestant had to go three rounds in the ring against a boxing kangaroo

22

DIGITAL

How many million views did the most successful post attract on the comedy portal Golden Moustache?

1

12

112

A short comedy video about the sex life of computer game characters has already scored more than 12 million clicks, including many outside of France, on Golden Moustache, Groupe M6's humorous online video platform, launched in 2012. In addition to Golden Moustache, Groupe M6 also runs other highly successful Youtube channels, such as Rose Carpet for girls and young women, and Cover Garden – a video platform offering covers of well-known pop songs.

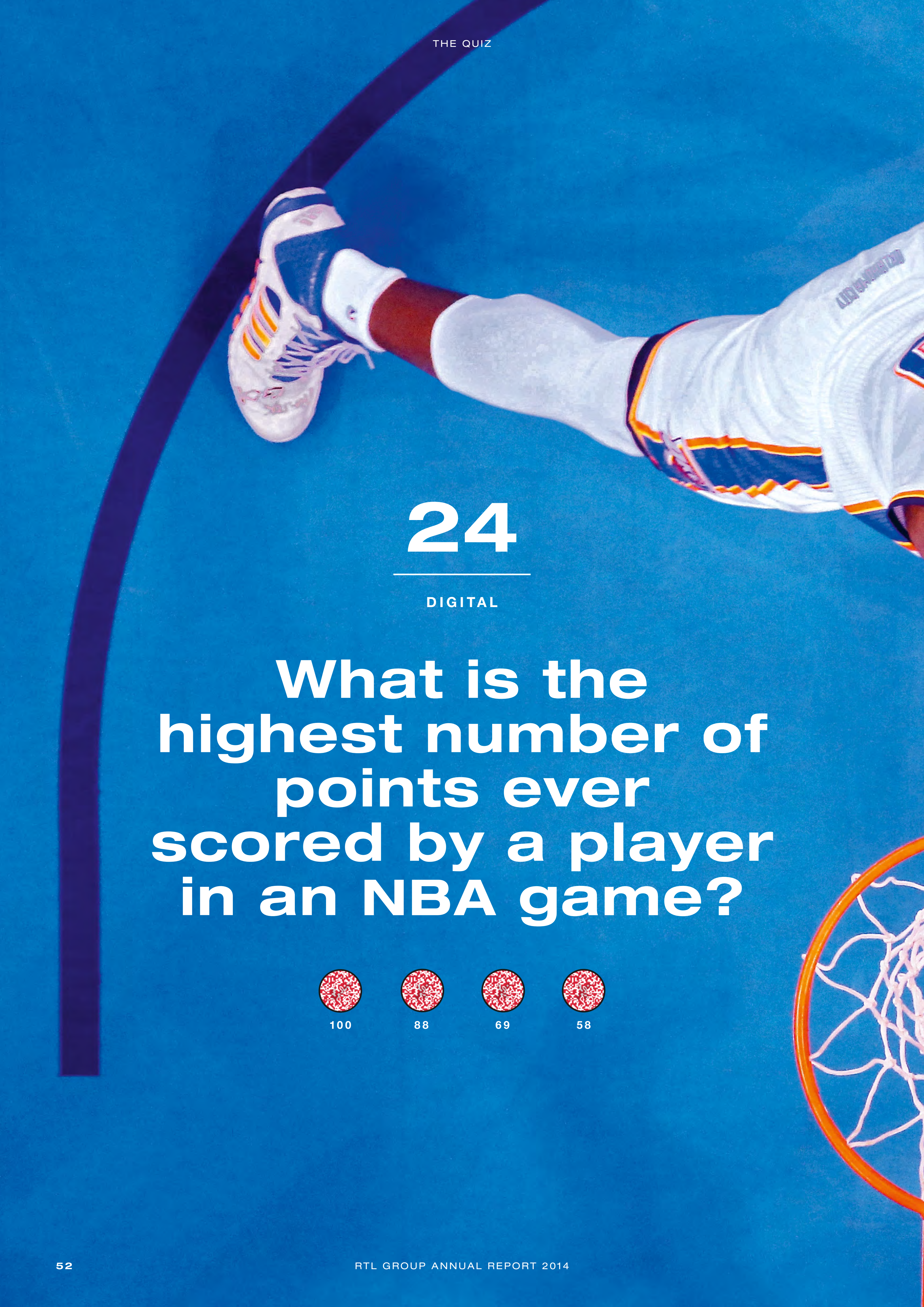
When it comes to cooking and eating, Vice Media tells the story in a way that has younger audiences licking their lips, with the new video-driven online platform, Munchies, launched in spring 2014 by FremantleMedia and Vice Media. Both companies develop and produce digital content for the online food channel – and FremantleMedia will take this content to TV screens around the world.

23

DIGITAL

What is the name of the extra hot chilli sauce made in a Munchies episode?

- YOU GO MENTAL HOT SAUCE
- HOLY MOTHER OF GOD HOT SAUCE
- HOTTER THAN PAMELA ANDERSON'S EVER BEEN HOT SAUCE



24

DIGITAL

What is the highest number of points ever scored by a player in an NBA game?

100

88

69

58

Videos by fans for fans: in 2014, BroadbandTV (BBTV) extended its partnership with the NBA (National Basketball Association). Since 2009, BBTV has overseen fans' videos uploaded on Youtube for the NBA channel – the most successful sports channel on Youtube, with over 6 million subscribers. With 23.5 billion video views in 2014, BBTV is the third largest multi-channel network (MCN) on Youtube, managing 25,000 partners with 290 million subscribers. RTL Group owns a 51 per cent stake in BBTV.

CORPORATE RESPONSIBILITY 2014

To mark the 25th anniversary of the UN Convention on the Rights of the Child, RTL-TVI presenter Jean-Michel Zecca visited a Unicef project in Burundi. Read more about this and many more initiatives in our CR brochure 2014. Don't forget to scan this page and watch the 2014 CR Trailer.

For more information about Corporate Responsibility at RTL Group, please visit RTLGroup.com/CR and subscribe to the CR Newsletter

Chairman's statement

THOMAS RABE
Chairman of the Board of Directors

2014 was another successful business year for RTL Group. Thanks to a strong fourth quarter and a record performance by Mediengruppe RTL Deutschland, revenue and EBITA reached the high levels of the previous year. At the same time, we made significant progress in implementing our strategy.

A focus of our work in 2014 was the expansion of our digital businesses with the acquisition of a majority stake in the programmatic video advertising platform SpotXchange. As one of the big five US players in this segment, SpotXchange not only strengthens our position in a rapidly growing global market, but also provides us with additional technology and data-based competencies. In addition, we took over StyleHaul, in which RTL Group – and Bertelsmann – had owned shares since 2013. StyleHaul is the leading multi-channel network on Youtube for fashion, beauty and women's lifestyle, and generates 1 billion video views a month. Our channels' catch-up TV services and our online multi-channel network BroadbandTV achieved further growth. And FremantleMedia recorded a significant increase in demand for online video content. Its new offerings include Munchies, a web channel jointly launched with Vice Media.

"RTL Group is one of the world's most successful providers of video content in the non-linear ecosystem."

Together, RTL Group's online offers currently generate more than 5 billion video views per month. This makes RTL Group one of the world's most successful providers of video content in the non-linear ecosystem.

This high demand for creative content and reach in online video is increasingly being monetised. In 2014, RTL Group increased its revenues from digital businesses by almost 27 per cent. Adding in the 24/7 offerings of our 52 TV channels and 29 radio channels and the more than 10,000 programme hours produced annually by FremantleMedia, RTL Group is Europe's largest and most digital entertainment network.

We also strengthened our core broadcast business by launching three new TV channels: RTL Kockica went on the air in Croatia; Geo TV in Germany – in collaboration with Gruner + Jahr – and RTL CBS Extreme HD in South East Asia.

In the field of content production, FremantleMedia enhanced its position in the United States with the acquisition of 495 Productions.

RTL Group's Board of Directors worked closely with the Executive Committee last year. In addition to major strategic decisions we fulfilled our ongoing responsibilities, such as reviewing our Group's financial and operating performance, while also focussing on the strategic direction of FremantleMedia.

I look forward to building on our work in 2015 – and am pleased that in 2014 the Board was joined by Achim Berg, CEO of Arvato, and Jonathan F Miller, Partner at Capital Advancit, who have added their expertise, in particular in digital businesses and technology. I sincerely thank Judith Hartmann, who resigned from our Board of Directors at year-end, for her contribution.

Our work on the Board of Directors is founded on the shared belief that creativity and innovation are the foundation of our business success. I am especially grateful to our 11,000-plus colleagues and our Group's management team who, together, achieved remarkable results in 2014. I am confident that we will continue to offer you – and millions of other people – plenty of reasons to keep following our offers and our Group's development with interest.

Thomas Rabe
Chairman of the Board of Directors

The Board

ANKE SCHÄFERKORDT

Co-Chief Executive Officer

Anke Schäferkordt, born in 1962, holds a degree in business administration. She started her career at Bertelsmann in 1988. In 1991, she moved to RTL Plus (now RTL Television) in Cologne, and took 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 joined the TV broadcaster Vox, serving as CFO and, from 1997 onwards, also as Programme Director. Then, from 1999 until 2005, she was CEO of Vox. In February 2005, Anke Schäferkordt was appointed Chief Operating Officer and Deputy CEO of RTL Television, and since September 2005, its CEO. 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.

Since April 2012, Anke Schäferkordt has been Co-CEO of RTL Group. In this capacity, she 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

EXECUTIVE DIRECTORS

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 Management 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. With effect from 1 January 2006, Thomas Rabe was appointed to the Executive Board of Bertelsmann AG as the Group's Chief Financial Officer. From 2006 to 2008, he was additionally responsible for Bertelsmann AG's music business.

Since 1 January 2012, Thomas Rabe has been CEO and Chairman of the Executive Board of Bertelsmann AG, now Bertelsmann Management SE.

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.

Since 2013, Martin Taylor has been an external member of the Financial Policy Committee of the Bank of England.

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

ACHIM BERG

Chief Executive Officer,
Arvato AG

Achim Berg, born in 1964, holds a Master of Information Technology degree from the Cologne University of Applied Sciences. He also completed the European Potential Management Programme at the European Economic School (EAP, Paris, London, Madrid, Rome, Berlin).

Achim Berg began his career in 1989 at Bull AG in the field of sales and distribution. He went on to spend six years at Microsoft, first as General Manager of Microsoft Germany, then as Corporate Vice President for the Windows Phone division in the company's US head office. Prior to this, he held several leadership roles in IT companies and sat on the board of T-Com, part of Deutsche Telekom AG.

He has been Chief Executive Officer of Arvato AG since April 2013, and is a member of the Executive Board of Bertelsmann Management SE. He has also been Vice President of Bitkom – the Federal Association for Information Technology, Telecommunications and New Media – in Germany since June 2013.

In April 2014, Achim Berg was appointed Non-Executive Director for a term of one year expiring at the end of the Ordinary General Meeting of Shareholders ruling on the 2014 accounts.

Nationality: German
First appointed: April 2014

NON-EXECUTIVE DIRECTORS

JUDITH HARTMANN

Chief Financial Officer and Member of the Bertelsmann Management SE Executive Board (until 31 December 2014)

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 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).

Judith Hartmann resigned her mandate as member of the Bertelsmann Executive Board with effect from 31 January 2015.

Nationality: Austrian
First appointed: 17 April 2013

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 start-ups with initial capital. He is also 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

JONATHAN F MILLER

Partner Advancit Capital

Jonathan F Miller, born in 1956, holds a Bachelors Degree in Psychology and Social Relations from Harvard University in Cambridge, Massachusetts (USA).

He began his career in 1980, holding various positions in and around Boston, and has been Partner at Advancit Capital since 2013. Before joining Advancit Capital, Jonathan F Miller served as Chairman and Chief Executive Officer at News Corp's Digital Media Group, and as Chief Digital Officer at News Corporation Holdings. His previous roles include that of Chairman and Chief Executive Officer at AOL from 2002 to 2006. He has also held senior management positions at USA Networks, Nickelodeon and the National Basketball Association.

Jonathan F Miller was appointed Non-Executive Director of RTL Group in April 2014 for a term of one year expiring at the end of the Ordinary General Meeting of Shareholders ruling on the 2014 accounts.

Nationality: American
First appointed: 16 April 2014

NON-EXECUTIVE DIRECTORS

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

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. He has been an independent business founder and investor since April 2011. Prior to that he was CEO of Sony Music Entertainment from February 2006 (until October 2008 Sony BMG Music Entertainment) to March 2011, having served the company as Chairman of the Board from August 2004.

From January 2001 to August 2004, Rolf Schmidt-Holtz was Chairman and CEO of Bertelsmann Music Group (BMG) and a member of the Bertelsmann AG Executive Board (from 2000) heading 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. Rolf 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, holds a Bachelor of Commerce (Hons) and a Master of Business Administration from the University of Windsor, Canada. He is a CPA (Ontario) and a Fellow of the Chartered Institute of Management Accountants (UK).

James Singh 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. He 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.

James Singh has been Chairman of the European CFO task force and held a membership of the IIRC. He currently serves as Chairman of the Finance Committee of the European Round Table, and is a member of the International Integrated Financial Reporting Standard Committee.

He is also a Director of Great West Life Assurance, Director of the American Skin Association, and Chairman of CSM Bakery Ingredients Ltd.

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 Group's production business, FremantleMedia.

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.

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. On 10 March 2015, Andreas Rudas was appointed Interim CEO of RTL Hungary.

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 9.3. to the consolidated financial statements).

*Permanent guest

RTL INFO!

Caroline Fontenoy, a presenter on *RTL Info*, the daily news show on RTL-TVI, Belgium's flagship French-speaking channel. *RTL Info was* revamped in December 2014

BROADCAST, CONTENT, DIGITAL

NEWS

November 2014 saw the 50,000th edition of N-TV's daily business show, *Teleborse*, with presenters Raimund Brichta (left) and Markus Koch. The show has covered business results and the international capital markets for over 20 years now.

DIRECTORS' REPORT CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT

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DIRECTORS' REPORT

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 2014.

HIGHLIGHTS

	Year to December 2014 €m	Year to December 2013[1] €m	Per cent change
Revenue	**5,808**	**5,824**	**(0.3)**
Underlying revenue[2]	**5,668**	**5,738**	**(1.2)**
Reported EBITA[3]	**1,145**	**1,148**	**(0.3)**
Reported EBITA margin (%)	**19.7**	**19.7**	
Reported EBITA	**1,145**	**1,148**	**(0.3)**
Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustment on acquisitions of subsidiaries	(103)	(10)	
Impairment of investments accounted for using the equity method	4	68	
Impairment on disposal group	–	(10)	
Re-measurement of earn-out arrangements	2	1	
Gain from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	1	5	
EBIT	**1,049**	**1,202**	
Net financial (expense)/income	(27)	48	
Income tax expense	(288)	(302)	
Profit for the year	**734**	**948**	
Attributable to:			
– Non-controlling interests	81	78	
– RTL Group shareholders	**653**	**870**	**(24.9)**
Reported EPS (in €)	**4.25**	**5.67**	
Proposed/paid dividend per share (in €)	**5.50[4]**	**7.00**	

1 All financial information for 2013 has been restated for IFRS 11
2 Adjusted for scope changes and at constant exchange rates
3 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, impairment of investments accounted for using the equity method, 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
4 In September 2014 RTL Group paid an extraordinary interim dividend of €2.00 per share for fiscal year 2014

With a strong finish to the year, RTL Group delivers another impressive set of financial results: EBITA and EBITA margin stable on very high level, new record EBITDA

- Reported Group **revenue** was stable at €5,808 million (2013: €5,824 million). Higher revenue from Mediengruppe RTL Deutschland and from acquisitions (consolidation of BroadbandTV, SpotXchange and 495 Productions) was offset by lower advertising sales in France, the effect of the disposal of the French e-commerce service Mistergooddeal along with lower revenue from FremantleMedia and UFA Sports

- **EBITA** stable at €1,145 million (2013: €1,148 million), primarily driven by a significantly higher profit contribution from Mediengruppe RTL Deutschland

- Reported EBITA **margin** stable at 19.7 per cent

- **EBITDA**[5] slightly up by 1.5 per cent to €1,348 million (2013: €1,328 million)

- **Net profit** attributable to RTL Group shareholders decreased to €653 million (2013: €870 million). This was principally due to movements in impairment charges announced at the interim results. In 2014, RTL Group recorded a goodwill impairment on RTL Hungary amounting to €77 million. Conversely, the net profit for 2013 included a significant positive one-off effect of €72 million, resulting from the reversal of an impairment on RTL Group's holding in the Spanish broadcasting company Atresmedia

- Net cash from operating activities was €934 million, resulting in an operating cash conversion of 95 per cent and **net financial debt** of €599 million at the end of 2014 (2013: net cash of €6 million)

- In the **fourth quarter** of 2014, reported Group revenue was up 2.8 per cent at €1,862 million (Q4/2013: €1,812 million), while reported EBITA was up significantly by 7.1 per cent to €466 million (Q4/2013: €435 million)

- RTL Group's Board of Directors has proposed a **final dividend** of €3.50 per share for fiscal year 2014, comprising an ordinary dividend of €2.50 per share and an extraordinary dividend of €1.00 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 €2.00 per share for fiscal year 2014 in September 2014

- Based on the average share price in 2014 (€80.55[6]), the total dividends for the fiscal year 2014 (€5.50 per share; 2013: €7.00 per share) represent a **dividend yield** of 6.8 per cent

5 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 accounted for using the equity method, 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
6 Frankfurt Stock Exchange

Major progress in implementing RTL Group's digital growth strategy

- RTL Group's **digital revenue**[7] continued to show very dynamic growth, up 26.6 per cent to €295 million (2013: €233 million) benefitting from organic growth and new acquisitions

- RTL Group's **platform revenue**[8] grew by 18.9 per cent to €220 million (2013: €185 million)

- RTL Group has developed massive scale in **online video**. In 2014:
  - RTL Group's catch-up TV services, websites and MCNs attracted a total 36.4 billion online video views, up 117 per cent year-on-year[9]
  - thereof: FremantleMedia's 216 Youtube channels attracted 9.0 billion views, up 35 per cent year-on-year

- In September, RTL Group completed the acquisition of a 65 per cent majority stake in the programmatic video advertising platform **SpotXchange** for a cash out of €104 million. Over 3 billion video ad decisions are now processed through the SpotXchange platform daily. The investment has significantly strengthened RTL Group's global scale across the entire online video advertising market and adds new technology and data-based competencies

- In October, RTL Interactive in Germany acquired **Econa Shopping** (now renamed to Sparwelt) for a cash out of €29 million. Sparwelt operates curated advice and recommendation platforms for online shopping such as *Sparwelt.de*. It is the most significant acquisition in the history of RTL Interactive

- In December, RTL Group increased its shareholding in **StyleHaul** to 94 per cent for a cash out of €84 million, further accelerating the Group's rapidly growing presence in the online video space. With 1 billion video views per month, StyleHaul is the leading multi-channel network (MCN) on Youtube for fashion, beauty and lifestyle – a highly attractive segment for major advertisers

- In December, FremantleMedia increased its non-controlling shareholding in **Divimove** to 51 per cent. Divimove has become Europe's leading MCN with 900 million online video views per month

Mediengruppe RTL Deutschland with another record EBITA; Groupe M6 with slightly higher EBITA contribution

- **Mediengruppe RTL Deutschland** achieved its best financial result ever: EBITA increased by 5.0 per cent to €650 million (2013: €619 million). This improvement was mainly driven by significantly higher TV advertising revenue in the second half of the year and a growing digital distribution business

- The French net TV advertising market was estimated to be stable in 2014. The EBITA of **Groupe M6** was slightly up to €209 million (2013: €207 million), driven by higher profit contributions from the company's diversification activities

- **RTL Nederland**'s EBITA stable at €103 million mainly driven by higher platform revenue and diversification activities

- EBITA of **RTL Belgium** stable at €46 million; **RTL Hungary** reports an EBITA loss of €1 million (2013: profit of €15 million), mainly due to impairments resulting from the punitive advertising tax which came into effect in August 2014

- **FremantleMedia**'s EBITA decreased to €113 million (2013: €136 million). As explained at the Q3 results, this was due to the cancellation of *X Factor US*, lower revenue from *American Idol* and increased investments in digital businesses and the content pipeline

Outlook

- The TV advertising markets in 2014 reflected the overall macro-economic situation in Europe. All European net TV advertising markets in RTL Group's territories were up year-on-year, with the exception of France – which was stable – and Belgium – which was down 2.8 per cent. This picture is expected to be similar in 2015 with overall slight growth expected

- RTL Group currently expects its total revenue and EBITA[10] for the full year 2015 to be broadly stable

7 Excluding e-commerce, home shopping and platform revenue for digital TV
8 Revenue generated across all distribution platforms (cable, satellite, IPTV) including subscription and re-transmission fees
9 Consolidated view, excluding Divimove. StyleHaul included for December 2014
10 Excluding one-offs

FINANCIAL REVIEW

REVENUE

Advertising markets across Europe were generally positive over the course of 2014 despite mixed macro-economic news flow. RTL Group experienced significant variations across the months and quarters of the year making it difficult to predict market trends with any certainty. With the exception of Belgium, which was down 2.8 per cent, all European net TV advertising markets in RTL Group's territories were up or stable year-on-year.

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

	Net TV advertising market growth rate 2014 (in per cent)	RTL Group audience share in main target group 2014 (in per cent)	RTL Group audience share in main target group 2013 (in per cent)
Germany	+3.5 to 4.0 [11]	29.0 [12]	30.6 [12]
France	+0.3 [13]	22.1 [14]	22.5 [14]
Netherlands	+2.1 [11]	32.4 [15]	33.5 [15]
Belgium	(2.8) [11]	35.2 [16]	36.4 [16]
Hungary	+4.6 [11]	36.6 [17]	38.0 [17]
Croatia	+4.1 [11]	25.0 [18]	27.9 [18]
Spain	+11.0 [19]	30.0 [20]	31.0 [20]

During the year to December 2014, revenue was stable at €5,808 million (2013: €5,824 million)[21]. On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was down 1.2 per cent to €5,668 million (2013: €5,738 million).

11 Industry and RTL Group estimates
12 Source: GfK. Target group: 14–59
13 Source: Groupe M6 estimate
14 Source: Médiamétrie.
Target group: housewives under 50 (including digital channels)
15 Source: SKO.
Target group: 20–49, 18–24h
16 Source: Audimétrie.
Target group: shoppers 18–54, 17–23h
17 Source: AGB Hungary.
Target group: 18–49, prime time (including cable channels)
18 Source: AGB Nielsen Media Research.
Target group: 18–49, prime time
19 Source: Atresmedia estimate
20 Source: TNS Sofres. Target group: 16–54
21 All financial information for 2013 has been restated for IFRS 11

EBITA AND EBITDA

Reported EBITA was stable at €1,145 million (2013: €1,148 million). The Group's EBITDA was €1,348 million for the year (2013: €1,328 million), resulting in an EBITDA margin of 23.2 per cent (2013: 22.8 per cent).

Group operating expenses were flat at €4,787 million (2013: €4,785 million).

NET DEBT AND CASH CONVERSION

The consolidated net debt at 31 December 2014 amounted to €599 million (31 December 2013: net cash of €6 million). The Group intends to maintain a conservative level of gearing of between 0.5 and 1.0 times net debt to full-year EBITDA in order to benefit from a more efficient capital structure.

The Group continues to generate significant operating cash flow with an EBITA to cash conversion ratio of 95 per cent in 2014 (2013: 106 per cent).

Net (debt)/cash position	**As at 31 December 2014 €m**	As at 31 December 2013 €m
Gross balance sheet debt	(1,104)	(565)
Add: cash and cash equivalents	483	542
Add: cash deposit and others	22	29
Net (debt)/cash position	**(599)**[22]	**6**

22 Of which €246 million held by Groupe M6 (as at 31 December 2013: €285 million)

FURTHER GROUP FINANCIALS

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.

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.

In 2014, RVA was €457 million (2013: €464 million).

Main portfolio changes

On 7 January 2014, Groupe M6 acquired 51 per cent of Best of TV SAS and Best of TV Benelux SPRL ("Best of TV"). Best of TV has developed a leading position in France in distributing infomercial and teleshopping products through major French retail chains. This acquisition enables Groupe M6 to strengthen the position of its subsidiary, Home Shopping Service, in the home shopping and infomercial business.

On 26 March 2014, RTL Group acquired 75 per cent of 495 Productions Holdings LLC and its 100 per cent affiliates ("495 Productions"). 495 Productions is a US-based production entity specialising in unscripted, female-skewed docu-series for cable networks. This acquisition enables FremantleMedia to expand and diversify its core TV production business internationally.

On 1 September 2014, RTL Group acquired 70.8 per cent of SpotXchange Inc. (65.2 per cent on a fully diluted per share basis) and its 100 per cent affiliates ("SpotXchange"). SpotXchange is a leading programmatic video advertising platform. The acquisition of SpotXchange enables RTL Group to enter a significantly growing – but still evolving – market and further enhances the Group's global position in online video, especially with regard to monetisation skills and technological competencies.

On 29 October 2014, RTL Group acquired 100 per cent of Econa Shopping GmbH (renamed to Sparwelt GmbH), the leading operator of online couponing portals in Germany. With this acquisition RTL Interactive GmbH has significantly strengthened its position in the growing online couponing segment.

On 1 December 2014 RTL Group gained the full control of StyleHaul. As of this date RTL Group holds a 97 per cent interest (94 per cent on a fully diluted per share basis) in StyleHaul, the leading fashion, beauty and lifestyle multi-channel network on Youtube.

On 30 December 2014, RTL Group diluted its shareholding in Radical Media to 35 per cent, resulting in a loss on disposal of €18 million.

Investments accounted for using the equity method

The total contribution of investments accounted for using the equity method amounted to €47 million (2013: €117 million). In 2013, the reported result included the reversal of an impairment, totalling €72 million, towards the associate Atresmedia. According to IFRS 11, joint ventures previously consolidated proportionally are now consolidated at equity. Accordingly, the 2013 comparatives have been re-stated for this effect.

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

In 2014 the Group recorded an income of €1 million (2013: income of €5 million) which includes the re-measurement to fair value of the Group's pre-existing interest in StyleHaul, in which the Group increased its interest to 93.6 per cent as of 1 December 2014. This re-measurement amounted to €17 million and is a non-cash gain. Offsetting this gain was a loss on disposal, amounting to €18 million of the Group's 28 per cent interest in the US based company Radical Media and a dilution loss of €5 million linked to the Group's shareholding in Atresmedia.

Interest income/(expense)

Net interest expense amounted to €23 million (2013: expense of €22 million) and is primarily due to the interest charge on the Group's financial debt, pension costs and other interest expenses.

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

An impairment loss totalling €88 million has been recorded in the 2014 statements. This charge is primarily against the goodwill carried by the Group in RTL Hungary, which has now been fully impaired, and is a direct result of a new advertising tax that came into force on 15 August 2014. The charge related to RTL Hungary amounts to €77 million. A further smaller impairment charge of €9 million has been recognised against the goodwill of Radical Media, a US branded entertainment business owned by FremantleMedia.

The impairment and amortisation loss totalling €15 million solely relates to the amortisation and impairment of fair value adjustments on acquisitions of subsidiaries. €9 million of this relates to an impairment of intangible assets recognised in a purchase price allocation following the acquisition of the Hungarian cable channels.

Income tax expense

In 2014, the tax expense was €288 million (2013: expense of €302 million).

Profit attributable to RTL Group shareholders

The profit for the period attributable to RTL Group shareholders was €653 million (2013: €870 million).

Earnings per share

Reported earnings per share, based upon 153,584,102 shares, was €4.25 (2013: €5.67 per share, based upon 153,618,853 shares).

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 (2013: 0.8 per cent) of RTL Group's shares.

Profit appropriation (RTL Group SA)[23]

The statutory accounts of RTL Group show a profit for the financial year 2014 of €328,520,730 (2013: €1,501,401,563). Taking into account the share premium of €4,691,802,190 (2013: €4,691,802,190) and the profit brought forward of €649,053,229 (2013: €230,798,050), the amount available for distribution is €5,360,326,317 (2013: €6,037,466,168), net of an interim dividend of €309,049,832 (€2.00 per share) as decided by the Board of Directors of RTL Group on 20 August 2014 and paid on 4 September 2014 (2013: €386,535,635 i.e. €2.50 per share).

Major related party transactions

The major related party transactions can be found in note 9 to the condensed consolidated interim financial statements.

23 Amounts in Euro except where stated

REVIEW BY SEGMENTS

Revenue	Year to December 2014 €m	Year to December 2013[24] €m	Per cent change
Mediengruppe RTL Deutschland	2,047	1,955	+4.7
Groupe M6	1,295	1,374	(5.7)
FremantleMedia	1,486	1,525	(2.6)
RTL Nederland	457	448	+2.0
RTL Belgium	199	209	(4.8)
RTL Radio (France)	166	175	(5.1)
Other segments	360	349	+3.2
Eliminations	(202)	(211)	n.a.
Total revenue	**5,808**	**5,824**	**(0.3)**

EBITA	Year to December 2014 €m	Year to December 2013[24] €m	Per cent change
Mediengruppe RTL Deutschland	650	619	+5.0
Groupe M6	209	207	+1.0
FremantleMedia	113	136	(16.9)
RTL Nederland	103	103	–
RTL Belgium	46	46	–
RTL Radio (France)	21	29	(27.6)
Other segments	3	8	(62.5)
Reported EBITA	**1,145**	**1,148**	**(0.3)**

EBITA margins	Year to December 2014 per cent	Year to December 2013[24] per cent	Percentage point change
Mediengruppe RTL Deutschland	31.8	31.7	+0.1
Groupe M6	16.1	15.1	+1.0
FremantleMedia	7.6	8.9	(1.3)
RTL Nederland	22.5	23.0	(0.5)
RTL Belgium	23.1	22.0	+1.1
RTL Radio (France)	12.7	16.6	(3.9)
RTL Group	**19.7**	**19.7**	**±0.0**

24 All financial information for 2013 has been restated for IFRS 11

MEDIENGRUPPE RTL DEUTSCHLAND

Financial results

In 2014, the German net TV advertising market was estimated to be up between 3.5 per cent and 4.0 per cent. Mediengruppe RTL Deutschland's revenue increased by 4.7 per cent to €2,047 milion (2013: €1,955 million), mainly driven by significantly higher TV advertising revenue in the second half of the year and growing platform revenue. Accordingly, EBITA was up from €619 million in 2013 to €650 million – an increase of 5.0 per cent.

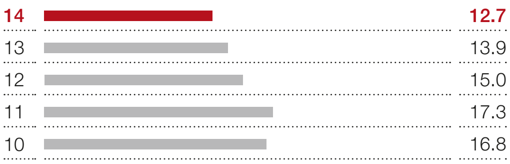
	Year to December 2014 €m	Year to December 2013 €m	Per cent change
Revenue	2,047	1,955	+4.7
EBITDA	665	634	+4.9
EBITA	650	619	+5.0

Audience ratings

During the reporting period, the combined average audience share of **Mediengruppe RTL Deutschland**'s channels decreased to 29.0 per cent (2013: 30.6 per cent) in the target group of viewers aged 14 to 59. This was mainly due to the fact that major sporting events such as the Olympic Winter Games and the Fifa World Cup were broadcast on the public channels. However, the German RTL family of channels remained ahead of its main commercial competitor ProSiebenSat1 by 3.1 percentage points.

RTL Television — **TV AUDIENCE SHARE**

Source: GfK. Target: 14–59 — 2010–2014 (%)



With an audience share of 12.7 per cent in the target group of viewers aged 14 to 59 in 2014 (2013: 13.9 per cent), **RTL Television** was the viewers' number one choice for the 22nd consecutive year – 3.1 percentage points ahead of the second highest-rated channel, Sat1. Additionally, RTL Television was the only channel to score a two-digit audience share in this demographic.

The most-watched broadcast on RTL Television in 2014 was the European Qualifier between Germany and Ireland on 14 October 2014, which attracted an average 11.07 million viewers – an average audience share of 34.9 per cent among viewers aged 14 to 59. Also popular were the boxing matches of Wladimir Klitschko. An average 35.4 per cent of the target group of viewers aged 14 to 59 tuned in to the match against Kubrat Pulev on 15 November.

The comedy show *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebritiy – Get Me Out Of Here!) scored excellent audience figures. The show, which was broadcast daily between 17 January and 1 February 2014, attracted an average 7.97 million viewers – an average audience share of 39.5 per cent in the target group of viewers aged 14 to 59 (2013: 37.0 per cent). Also on the internet, the show scored a new record with 27.4 million video views (2013: 21.9 million online video views). In autumn 2014, *Das Supertalent* (Got Talent) had an average audience share of 20.1 per cent among viewers aged 14 to 59 (2013: 22.3 per cent). Complementing RTL Television's information programmes, the investigative *Team Wallraff* caused a stir in Germany. It was awarded with a German TV Award (Deutscher Fernsehpreis) and was watched by an average 19.6 per cent of the target audience. Especially popular on the internet was *Deutschland sucht den Superstar* with 76 million video views (up 20 per cent compared to 2013).

Vox — **TV AUDIENCE SHARE**

Source: GfK. Target: 14–59 — 2010–2014 (%)

14	6.7
13	7.4
12	7.5
11	7.2
10	7.4

In 2014, **Vox**'s average audience share was 6.7 per cent in the target group of viewers aged 14 to 59 (2013: 7.4 per cent). One of the most popular shows was *Sing meinen Song – Das Tauschkonzert* with Xavier Naidoo which attracted an average 9.1 per cent of target viewers. The newly launched *Die Höhle der Löwen* was popular from the start. With an average audience share of 8.9 per cent in the target group, Vox has already commissioned a second season of the show. The fourth season of *Rizzoli & Isles* was watched by an average 9.2 per cent of viewers in the target group. During the day,

"With a very strong performance in the second half of the year, Mediengruppe RTL Deutschland significantly grew its full-year revenue and EBITA. These record results were achieved in an ever more competitive German TV landscape. This is why we will continue to focus on our key strengths: excellent entertainment, independent information – and a strong presence of our brands across all digital platforms and devices."

ANKE SCHÄFERKORDT

CO-CEO, RTL Group;

CEO, Mediengruppe RTL Deutschland

Vox scored with *Shopping Queen* and its popular host and designer Guido Maria Kretschmer, which attracted an average daily audience of 8.6 per cent of viewers aged 14 to 59.

RTL Nitro almost doubled its audience share, attracting an average 1.6 per cent of viewers aged 14 to 59 (2013: 0.9 per cent). With an audience share of 1.8 per cent in September and October 2014, the channel recorded its best monthly audience shares since its launch.

RTL II — TV AUDIENCE SHARE

Source: GfK. Target: 14–59 — 2010–2014 (%)

14	5.4
13	5.8
12	5.6
11	5.0
10	5.3

RTL II recorded an average audience share of 5.4 per cent among viewers aged 14 to 59 (2013: 5.8 per cent). Again, the access prime time formats *Berlin – Tag & Nacht* and *Köln 50667* were among the channel's most popular shows, attracting average audience shares of 8.3 per cent and 6.9 per cent among viewers aged 14 to 59. *The Walking Dead* scored an average audience share of 10.0 per cent among viewers aged 14 to 59. In prime time, *Game Of Thrones*, *Die Geissens – Eine schrecklich glamouröse Familie!* and *Die Reimanns – Ein außergewöhnliches Leben* proved popular.

Super RTL — TV AUDIENCE SHARE

Source: GfK. Target: 3–13 (6–20:15 h) — 2010–2014 (%)

14	19.7
13	23.3
12	23.1
11	24.1
10	22.8

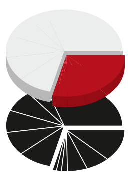
The Disney Channel, launched in Germany in January 2014, took some audience shares from the existing children's channels in Germany. Despite this, **Super RTL** remained the most popular children's channel in Germany, with an audience share of 19.7 per cent in its target group of 3 to 13-year-olds during the 6:00 to 20:15 time slot (2013: 23.3 per cent), on par with its competitor, Kika (19.7 per cent), but ahead of Nick (9.8 per cent) and the Disney Channel (8.3 per cent). The movies in prime time proved particularly popular. The most-watched movie on Super RTL was *Snow Queen* with an average audience share of 6.1 per cent among viewers aged 14 to 59.

The news channel **N-TV** attracted 1.0 per cent of viewers aged 14 to 59 (2013: 1.0 per cent). Especially popular were N-TV's morning news casts and *Telebörse*, the channel's stock market reports. With an average 75.3 million visits per month, *N-TV.de* and the mobile offerings of N-TV are regularly among the top online news services in Germany.

On 8 May 2014, Mediengruppe RTL Deutschland launched the new pay-TV channel **Geo Television**, a partnership with *Geo*, the monthly magazine published by Gruner + Jahr. The new channel broadcasts high-quality, award-winning documentaries on nature, technology, exploration, adventure and world events. The channel is available on Deutsche Telekom's IPTV platform Entertain and complements the pay-TV channels **RTL Crime**, **RTL Living** and **Passion**, which have been operating successfully since 2006. These three special-interest digital channels continued to grow steadily and are among the leading pay-TV channels in Germany, Austria and Switzerland, with over 4.8 million subscribing households (2013: 4.5 million).

National audience breakdown

Source: GfK. Target: 14–59 — 2014 (%)



RTL Television	12.7
Vox	6.7
RTL II	5.4
Super RTL	1.6
RTL Nitro	1.6
N-TV	1.0
Sat 1	9.6
Pro 7	8.9
ZDF	8.7
ARD	8.5
Kabel 1	5.1
Others	30.2

Digital and diversification activities

In October, **RTL Interactive** acquired Sparwelt (previously named Econa Shopping). The move further strengthens the company's online couponing business, as Sparwelt operates curated advice and recommendation platforms for online shopping sites such as *Sparwelt.de*. It is the largest acquisition in the history of RTL Interactive.

In October, Mediengruppe RTL Deutschland launched Blogwalk, a high-class online fashion and lifestyle magazine with video, content and photos from 30 of the leading fashion bloggers in Germany. Throughout the year, RTL Interactive launched a total of three new Smart TV channels: Dooloop, Fitness & Yoga and Clipfish Serien.

Mediengruppe RTL Deutschland's family of catch-up services, combined with the clip portal *Clipfish.de*, the Clipfish HbbTV channels and the unit's channel and thematic websites, recorded a total number of 1,090 million video views of professionally produced content (2013: 1,190 million). 21 per cent of the video views were generated with mobile devices – up 20 per cent year-on-year (2013: 16 per cent). While big shows still draw large numbers of video views, lower overall online video views reflect decreasing TV audience shares. Overall in 2014 the online offerings of Mediengruppe RTL Deutschland reached an average of 26.2 million unique user aged 10 and above per month.

GROUPE M6

Financial results

The French TV advertising market was estimated to be stable compared to the previous year. However, Groupe M6's revenue was down to €1,295 million in 2014 (2013: €1,374 million), mainly due to lower TV advertising revenue and the sale of Mistergooddeal. EBITA increased to €209 million (2013: €207 million), driven by higher profit contributions from the company's diversification activities.

	Year to December 2014 €m	Year to December 2013 €m	Per cent change
Revenue	**1,295**	1,374	(5.7)
EBITDA	**327**	319	+2.5
EBITA	**209**	207	+1.0

Audience ratings

In 2014, two major sport events (the Winter Olympic Games and the Fifa World Cup) had a strong impact on average audience shares in France. In addition, the six new DTT channels launched in December 2012 continued to grow, reaching an average total audience share of 3.8 per cent (2013: 2.3 per cent), further driving fragmentation.

Groupe M6's combined audience share was 22.1 per cent in the key commercial target group of housewives under 50 (2013: 22.5 per cent).

M6 — **TV AUDIENCE SHARE**
Source: Médiamétrie. Target: housewives < 50 — 2010–2014 (%)

14	15.9
13	16.2
12	17.0
11	17.2
10	16.5

M6 confirmed its status as the second most-watched channel in France among housewives under 50, scoring an average audience share of 15.9 per cent in 2014 (2013: 16.2 per cent). In terms of total audience share, M6 remained the third most popular channel in France for the fourth consecutive year with an audience share of 10.1 per cent.

L'Amour est dans le pré was once again the most watched programme of the summer with an average 5.6 million viewers and an average audience share of 34.6 per cent in the target group. For the fourth consecutive year, the format made M6 the most-watched channel among all target groups on Monday evenings in summer.

In access prime time, the evening news programme *Le 19h45* continued to be the leading news show among housewives under 50, with an average audience share of 22.6 per cent. *Scènes de Ménages* scored its best viewing figure since 2012 with an average audience share of 21.4 per cent in the target group. The series remained the most popular TV show in access prime time. The newly launched *Les Reines du Shopping* (Shopping Queen), together with *Objectif Top Chef* allowed M6 to increase its audience share by 30 per cent during the second half of the year, compared to the first half.

W9 — **TV AUDIENCE SHARE**
Source: Médiamétrie. Target: housewives < 50 — 2010–2014 (%)

14	3.6
13	4.0
12	4.2
11	4.3
10	3.9

For the fourth consecutive year, W9 was the leading prime-time DTT channel in France among housewives under 50, attracting an average audience

"In 2014, Groupe M6 pursued its innovative strategy. With strong brands, diversified assets and creative teams, we are ready to face the challenges of 2015."

NICOLAS DE TAVERNOST
Président du Directoire, Groupe M6

share of 3.6 per cent (2013: 4.0 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. The broadcast of the Europa League match between Lyon and Turin was watched by 2 million viewers, making it the most-watched show on French DTT in 2014, and attracting the best audience for W9 since the channel's launch.

Of the six DTT channels launched in December 2012, 6ter was the leading channel in the target group of housewives under 50 with an average audience share of 1.3 per cent (2013: 0.9 per cent). 703,000 viewers tuned in for the movie *Jumanji*, making it the channel's most-watched broadcast in 2014.

Paris Première was the most-watched pay TV channel among the total audience and the most popular general-interest pay-TV channel in prime time. Téva was the undisputed leading pay-TV channel in the target group of housewives under 50, confirming its status as women's favourite premium channel. Due to a very competitive environment, Groupe M6 decided to close two music channels (M6 Music Black and M6 Music Club) in order to focus its efforts on M6 Music and its M6 Music Player device. Additionally, Groupe M6 discontinued TF6, the channel co-owned and co-operated with TF1.

Digital and diversification activities

At the end of 2014, M6 Web recorded more than 1 billion online video views, while the network of M6 Web reached an average audience of 11 million unique users per month across its network (2013: 12.1 million) – excluding mobile usage. The company's apps for iPhone, iPad, Android and Windows phones had been downloaded more than 20 million times.

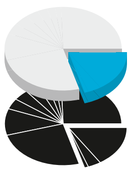
In March 2014, M6 Web launched four new free digital channels available on its web platform 6play: Stories, Crazy Kitchen, Sixième Styles and Comic. By the end of the year, 6play – available on both computer and television via virtually all cable, IPTV and satellite packages in France – had recorded over 800 million video views, while the mobile app had been downloaded more than 18 million times. The M6 Mobile by Orange service was stable at 2.8 million customers in 2014.

In January, through its subsidiary Home Shopping Service (Ventadis Division), Groupe M6 finalised the acquisition of a 51 per cent equity stake in Best of TV, a French company that imports and distributes products sold via home shopping to points of sale. The integration of Best of TV generated significant operational synergies.

On 31 March, the Group sold the entire share capital of Mistergooddeal to Darty Group, in accordance with the announcement made on 18 December 2013. 2014 was also marked by the continued operational integration of Luxview and Optilens, the acquisition of Printic and the continued development of MonAlbumPhoto.

National audience breakdown

Source: Médiamétrie. Target: housewives < 50



	2014 (%)
M6	15.9
W9	3.6
6ter	1.3
TF1	25.0
France 2	10.1
France 3	4.2
D8	4.1
TMC	3.7
NT1	2.7
Canal Plus	2.3
France 4	1.8
Others	25.3

FREMANTLEMEDIA

Financial results

Revenue of FremantleMedia – RTL Group's production and brand exploitation arm – decreased to €1,486 million in 2014 (2013: €1,525 million), due to the cancellation of *X Factor US* and lower revenue from *American Idol*. Accordingly, EBITA decreased to €113 million (2013: €136 million).

	Year to December 2014 €m	Year to December 2013 €m	Per cent change
Revenue	1,486	1,525	(2.6)
EBITDA	149	156	(4.5)
EBITA	113	136	(16.9)

Strategy

Having completed its strategic realignment and restructure, FremantleMedia has focussed on the implementation of its new strategy. In addition to building a scalable digital operation and developing a prime-time scripted business, FremantleMedia continues to drive its core business by investing in and growing its content pipeline. Its production hours aired reached a five-year high of 10,094 hours in 2014, up 18 per cent on the previous year (2013: 8,499), while the number of hours of new prime time drama produced in 2014 grew by 28 per cent over the previous year: from 100 hours in 2013 to 128 hours.

Production business

In 2014, FremantleMedia's global network of production companies was responsible for rolling out more than 48 formats and airing 342 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.

In March 2014, FremantleMedia acquired a majority stake in 495 Productions, a leading US-based reality production company renowned for its cutting edge, female-skewed programming. The acquisition extends and complements FremantleMedia's programming. FremantleMedia's Scandinavian production company Miso Film, expanded its footprint by opening a new office in Sweden to produce both feature films and TV series for the Scandinavian and international market.

Non-scripted

In April 2014, Guinness World Records officially named *Got Talent* 'The World's Most Successful Reality TV Format' ever – the show having been commissioned in an impressive 58 territories worldwide. The format has continued to travel and is now in 66 markets. The eighth season of *Britain's Got Talent* scored an average audience share of 43.1 per cent on ITV, more than doubling the prime-time average: 12.4 million viewers tuned in to the finale, making it the broadcaster's most watched show of the year. *America's Got Talent* continued to be the USA's most watched show during the summer, averaging 10.3 million viewers and scoring a total audience share of 9.7 per cent on NBC.

The Price Is Right continued to rank as the number one daytime show in the 2014/15 season, winning an average audience of 5.1 million viewers (2+) and an audience share of 12.8 per cent for the season to date. *Family Feud* hit a new high on 10 November 2014, attaining an average household rating of 6.4 per cent – the show's highest performance for over 20 years. *Family Feud* is the number one game show in first-run syndication for the 2014/15 season to date among the key demographic of women aged 25 to 54, outperforming *Jeopardy* and *Wheel of Fortune*.

Some 23 versions of *The X Factor* were broadcast in 2014, with four new markets (South Africa, Vietnam, Czech/Slovak, Georgia) premiering the format for the first time. There were 14 international versions of *Idols* in 2014, including *American Idol*, which remained the number one series on Fox, winning an average audience share of viewers aged 14 to 49 of 7.9 per cent, exceeding Fox's prime-time average by 49 per cent.

Number of hours broadcast

Programmes	2014	2013
New	**3,194**	2,070
Returning	**6,900**	6,429
Total	**10,094**	8,499

Breakdown of hours broadcast by main markets

	2014	2013
USA	**1,086**	967
Germany	**753**	790
France	**461**	608
UK	**326**	280
Italy	**245**	350

"We have made good progress against our strategy in 2014 as we scaled up investment in our creative pipeline, digital and format development across scripted and non-scripted, while maintaining our core business to deliver improved revenues in the future. We look forward to building on these achievements with continued investment in 2015."

CÉCILE FROT-COUTAZ
CEO, FremantleMedia

The Farmer Wants a Wife continues to be the world's most popular dating show. Local versions aired in 14 markets in 2014. In France the ninth series of *L'amour est dans le pré* ranked as M6's highest rated entertainment show for the seventh year running with an average audience share of 34.6 per cent in the target group of housewives under 50. Local version were also popular in Germany (*Bauer sucht Frau*) and the Netherlands (*Boer zoekt Vrouw*), where it remains the country's highest-rated show.

Scripted

With prime time scripted drama being a key focus for the business, FremantleMedia saw an increase of 48 per cent in the number of new prime time drama titles airing across the year, rising from 31 in 2013 to 46 in 2014.

Launching its second season in Australia, *Wentworth* was recommissioned for a third season even before the second series aired, while local versions of the show have been produced for the Netherlands and Germany. In the Netherlands, the local version *Celblok-H* was SBS 6's highest-rated drama of 2014 in the commercial target group of shoppers aged 20 to 49. It was watched by an average 1.1 million viewers and recorded a 15.7 per cent share in the target group.

Returning to UK screens after a 16-year absence, *Birds Of A Feather* premiered to an audience of 9.5 million viewers on 2 January 2014 making it ITV's highest rated sitcom launch in over 10 years. The show recorded an average audience share of 28.6 per cent.

In the UK, innovative British procedural crime drama *Suspects* aired from February to March 2014 on Channel 5, winning an average audience of 1.1 million viewers and an average audience share of 5.8 per cent, 23 per cent higher than Channel 5's prime time average.

UFA's historical theatrical release *Der Medicus* (The Physician) has attracted 3.6 million movie-goers in Germany since its launch in December 2013, while the TV debut in December 2014 drew an audience of 7.5 million. Millions more have seen it in Spain, Austria and Switzerland.

Long-running daytime scripted shows continue to perform well. *Gute Zeiten, Schlechte Zeiten* was once again Germany's highest rated drama of the year with an average 2.9 million viewers . In Hungary, *Between Friends* remains the country's most popular drama, averaging a total audience share of 26.1 per cent.

In Australia, long running daily drama *Neighbours* again ranked first in its time slot across all digital free to air channels. The UK airings continued to boost Channel 5's daytime share in 2014, with a total audience share of 6.3 per cent share in the 17:30 slot.

Kids & Family Entertainment

Kids & Family Entertainment implemented its plan to build global franchises with the international rollout of core pre-school brands with some success. *Tree Fu Tom* has now been broadcast in 123 territories while *Kate & Mim-Mim* was sold to 11 new markets in 2014 across North America, Europe and Asia.

Digital

In June 2014, FremantleMedia North America (FMNA) launched its original digital production studio, Tiny Riot, to produce original digital content for partners such as Vice Media, StyleHaul, BroadbandTV, as well as for FMNA's TV properties including *Family Feud* and *Celebrity Name Game*.

In February 2014, FremantleMedia and Vice Media, the global youth media company, announced a venture to create a multi-channel food platform for the millennial audience. Munchies was subsequently launched in April at Mip TV. Content for the platform is being created by FremantleMedia digital teams in the US, UK and Germany, with more territories to follow. In less than a year, the channel has attracted nearly 35 million views and 330,000 subscribers.

In December 2014, FremantleMedia increased its non-controlling interests in Divimove to 51 per cent. This followed a successful year which saw Divimove become Europe's leading multi-channel network, operating 1,700 partner channels that attract 900 million views per month and 80 million subscribers.

FremantleMedia's Youtube presence continued to reach new heights in 2014:

- FremantleMedia content registered 9.0 billion views in 2014 (2013: 6.7 billion) and a total of more than 20 million subscribers.
- FremantleMedia now has over 200 channels in 40 different territories. There were 52 new channel launches in the reporting period, including *Family Feud* in Australia, *Celebrity Name Game* in the United States, and channels for local versions of *Take Me Out* in South Africa and Thailand.

RTL NEDERLAND

Financial results

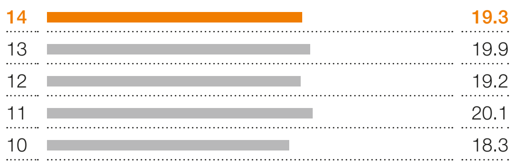
The Dutch TV advertising market was estimated to be up 2.1 per cent year-on-year. RTL Nederland's revenue was up 2.0 per cent year-on-year to €457 million (2013: €448 million), mainly driven by higher platform revenue and digital revenue. EBITA was stable at €103 million (2013: €103 million), mainly thanks to the positive one-off effect from the termination fee of the mobile provider Sizz, a co-operation between RTL Ventures and Vodafone.

	Year to December 2014 €m	Year to December 2013 €m	Per cent change
Revenue	**457**	448	+2.0
EBITDA	**110**	110	–
EBITA	**103**	103	–

Audience ratings

During the reporting period, RTL Nederland's channels reached a combined prime-time audience share of 32.4 per cent in the target group of viewers aged 20 to 49, slightly down from 33.5 per cent in 2013 – mainly due to the broadcast of the Fifa World Cup and Olympic Winter Games on the public channels. Despite this decrease, RTL Nederland's channels remained clearly ahead of the public broadcasters (26.6 per cent) and the SBS group (19.9 per cent).

RTL 4 **TV AUDIENCE SHARE**
Source: SKO. Target: shoppers 20–49 (18–24h) 2010–2014 (%)



RTL Nederland's flagship channel, RTL 4, scored an average prime-time audience share of 19.3 per cent in the target group of shoppers aged 20 to 49 (2013: 19.9 per cent). On Fridays, RTL 4 retained its very strong position with the talent theme, including shows such as *The Voice Of Holland* (average audience share: 38.5 per cent) and *Alles Mag Op Vrijdag* (27.5 per cent). The channel's access prime-time line-up – which includes *RTL Boulevard*, *Goede Tijden, Slechte Tijden* and *RTL Nieuws* – delivered strong ratings once again. Drama series such as *Divorce* and *Nieuwe Buren* also performed well, attracting average audience shares of 33.0 per cent and 28.8 per cent, respectively.

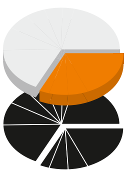
RTL 5 **TV AUDIENCE SHARE**
Source: SKO. Target: 20–34 (18–24h) 2010–2014 (%)

RTL 5 achieved a prime-time audience share of 6.4 per cent in its key target group of viewers aged 20 to 34 (2013: 6.8 per cent). Once again, Dutch productions were the most popular programmes on the channel. On Thursdays, *Expeditie Robinson* scored an average audience share of 28.0 per cent.

"Our family of channels managed to retain market leadership in 2014 and to stay well ahead of the competition, despite the success of the Dutch football team during the World Cup. We have experienced strong growth in our digital activities, which resulted in an increase in online display and video revenues. We have successfully turned around our live entertainment activities and capitalised on our ongoing film investments."

BERT HABETS
CEO, RTL Nederland

National audience breakdown
Source: SKO. Target: 20–49 (18–24h) 2014 (%)



RTL 4	18.7
RTL 5	5.7
RTL 7	5.2
RTL 8	2.8
Nederland 1	17.5
SBS 6	8.9
Veronica	6.0
Nederland 3	5.7
Net 5	5.0
Nederland 2	3.3
Others	21.2

RTL 7 **TV AUDIENCE SHARE**
Source: SKO. Target: men 20–49 (18–24h) 2010–2014 (%)

14	6.6
13	7.8
12	7.2
11	7.8
10	7.1

The men's channel RTL 7 scored an average prime-time audience share of 6.6 per cent among male viewers aged 20 to 49 (2013: 7.8 per cent). Popular programmes included the Darts World Cup 2014 in January with an average audience share of 32.5 per cent, and Uefa Europa League football matches. 28.7 per cent of target viewers tuned in to the Europa League final on 14 May 2014.

RTL 8 **TV AUDIENCE SHARE**
Source: SKO. Target: women 20–49 (18–24h) 2010–2014 (%)

14	3.5
13	3.5
12	3.0
11	3.3
10	3.2

The women's channel RTL 8 attracted an average prime-time audience share of 3.5 per cent of women aged 20 to 49 (2013: 3.5 per cent). With 4.9 per cent of target viewers tuning in during August, RTL 8 scored the highest monthly audience share since its launch. Crime series such as the *CSI* franchise and *Bones* have especially improved the channel's performance on Saturday and Sunday nights.

Since March, the digital pay-TV channels RTL Lounge and RTL Crime have been included in the Dutch audience measurement. Both scored an average audience share of 0.04 per cent in the target group of viewers aged 20 to 49. On average, RTL Lounge registered a reach of 4.9 million viewers, while RTL Crime reached 3.5 million viewers. The children's channel, RTL Telekids, attracted 3.8 million viewers aged 6 and above. In its core target group of children aged 3 to 8, the reach was 682,000.

Digital and diversification activities

RTL Nederland's platforms and partners generated a total number of 763 million video views in 2014 – up 18.7 per cent from 643 million in 2013. RTL Nederland's network of websites (excluding syndication partners) generated a total 519 million video views in 2014 (2013: 547 million). The most popular formats were *Goede Tijden, Slechte Tijden*, *The Bold And The Beautiful*, *RTL Nieuws* and *The Voice Of Holland*. The rapid growth of mobile video views is demonstrated by the fact that RTL Nederlands' mobile apps generated around 60 per cent of all online video views in 2014 (2013: 53 per cent).

As part of its strategy RTL Nederland continued to invest in the VOD-platforms Videoland, NL Ziet and RTL XL. In June Videoland Unlimited was launched. For a monthly subscription fee, users get unlimited access to movies and series. Even before the go-live, interest was high, with 150,000 prospective customers registering for the new platform.

Another successful business unit of RTL Nederland is film ventures. International blockbusters *The Wolf Of Wall Stree*t and *Gooische Vrouwen 2*, based on the popular RTL 4 series *Gooische Vrouwen*, were two big hits in the Netherlands. With more than 2 million visitors since its premiere in December, *Gooische Vrouwen 2* was the most popular film of 2014 in the Netherlands.

On 2 December 2014, **RTL Ventures** announced that it will increase its shareholding in Dutch Learning Company (DLC), a provider of online courses and the founder of the Netherlands' largest online portal for first aid courses, Iedereen EHBO, from 37.3 per cent to 79 per cent. Later that month RTL Ventures announced to increase its interest in Future Whiz Media (Squla), the leading children's learning technology company. As a result, RTL Ventures' total interest in Squla grew from 20.3 per cent to 37.3 per cent.

RTL BELGIUM

Financial results

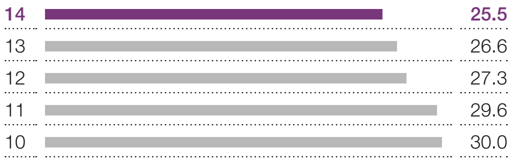
Against the background of a TV advertising market that was estimated to have decreased by 2.8 per cent year-on-year, RTL Belgium's revenue was down by 4.8 per cent to €199 million (2013: €209 million) due to lower revenue from the TV business. EBITA was stable, reflecting cost savings in RTL Belgium's TV business during the reporting period.

	Year to December 2014 €m	Year to December 2013 €m	Per cent change
Revenue	**199**	209	(4.8)
EBITDA	**50**	51	(2.0)
EBITA	**46**	46	–

Audience ratings

With a combined prime-time audience share of 35.2 per cent among shoppers aged 18 to 54 (2013: 36.4 per cent), **RTL Belgium**'s family of TV channels maintained its position as the market leader in French-speaking Belgium – despite the fact that the Fifa World Cup was broadcast by the competition. RTL Belgium's lead over the public channels remained high at 14.7 percentage points.

RTL-TVI **TV AUDIENCE SHARE**
Source: Audimétrie. Target: shoppers 18–54 (17–23h) 2010–2014 (%)



The flagship channel **RTL-TVI** recorded an audience share of 25.5 per cent in prime time (2013: 26.6 per cent) – 9.4 percentage points ahead of the number two channel, French broadcaster TF1, and 11.3 percentage points ahead of the Belgian public broadcaster La Une. The most watched broadcast of the year on RTL-TVI was a special edition of the evening news *RTL Info* on 15 December 2014, which scored a total audience share of 49.0 per cent. Also popular was the broadcast of *Albert 80 ans, son témoignage pour l'histoire* on 9 June 2014 which attracted a total audience share of 47.3 per cent. Thanks to changes in the afternoon schedule in September and the replacement of the teleshopping window, RTL-TVI increased its audience share among shoppers aged 18 to 54 in this timeslot to 19.9 per cent (September to December 2013: 6.2 per cent).

Club RTL **TV AUDIENCE SHARE**
Source: Audimétrie. Target: men 18–54 (17–23h) 2010–2014 (%)

Plug RTL **TV AUDIENCE SHARE**
Source: Audimétrie. Target: 15–34 (17–23h) 2010–2014 (%)

Club RTL recorded a prime-time audience share of 6.9 per cent among male viewers aged 18 to 54 (2013: 7.4 per cent). Football remains one of the most popular broadcasts on the channel, scoring an average audience share of 20.5 per cent among men aged 18 to 54. **Plug RTL** reported a prime-time audience share of 4.9 per cent among 15 to 34-year-old viewers (2013: 4.5 per cent). The most popular programmes were *Qui veut épouser mon fils?*, *Rising Star* and the 11th season of *Nouvelle Star.*

According to the latest CIM audience survey by the Belgian Centre d'Information sur les Médias in 2014, **Bel RTL** and **Radio Contact** achieved audience shares of 13.9 per cent (2013: 15.2 per cent) and 15.3 per cent (2013: 15.3 per cent), respectively.

Digital and diversification activities

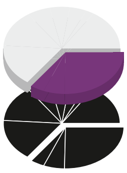
In 2014, the number of video views across RTL Belgium's websites increased to more than 117 million (2013: 103 million), driven by news, football content and major TV shows. On a daily basis, *RTL.be* increased the number of unique visitors to reach 266,741 in 2014 (2013: 230,000). *Le Jeu Connect* confirmed viewers' interest for a great second screen experience. In May, RTL Belgium launched *Maradio.be*: a unique player offering listeners access to all the Belgian French-speaking radio stations in one place.

"In 2014, with *RTL Info*, RTL Belgium strengthened its indisputable position as news leader due to heavy investments and a high degree of professionalism in TV, radio, apps and online."

PHILIPPE DELUSINNE
CEO, RTL Belgium

French-speaking Belgium audience breakdown

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



	2014 (%)
RTL-TVI	**25.5**
Club RTL	**5.8**
Plug RTL	**3.9**
TF1	16.1
La Une	14.2
La Deux	6.3
AB 3	5.6
France 2	4.7
France 3	2.3
Others	15.6

RTL RADIO (FRANCE)

Financial results

Throughout 2014, the net radio advertising market in France was estimated to be down 2.2 per cent compared to the same period in 2013. Total revenue of the French RTL radio family decreased to €166 million (2013: €175 million), while EBITA was down to €21 million (2013: €29 million), mainly reflecting lower advertising revenues linked to market decrease and lower audience shares of the flagship station.

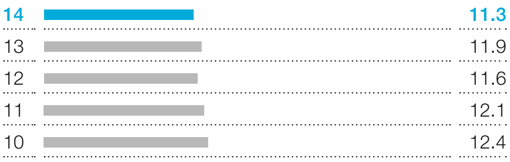
	Year to December 2014 €m	Year to December 2013 €m	Per cent change
Revenue	166	175	(5.1)
EBITDA	25	33	(24.2)
EBITA	21	29	(27.6)

Audience ratings

The French RTL radio family maintained its market leadership with a combined audience share of 18.0 per cent (2013: 18.3 per cent). The three stations – RTL Radio, RTL 2 and Fun Radio – continued to lead over their main commercial competitors, the radio family of NRJ (15.3 per cent) and Lagardère (13.1 per cent).

RTL Radio — AUDIENCE SHARE

Source: Médiamétrie. Target: 13+ — 2010–2014 (%)



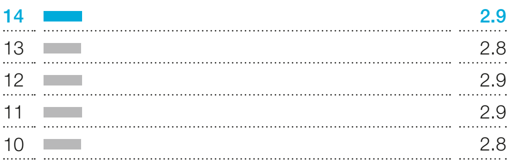
For the 11th consecutive year, RTL Radio was the country's number one radio station. With an average audience share of 11.3 per cent (2013: 11.9 per cent) the station remained ahead of its closest competitor, France Inter, by 2.3 percentage points and was the only French radio station with an audience share of over 10 per cent. The cumulated audience of RTL Radio was 6.0 million listeners daily (2013: 6.2 million).

Fun Radio — AUDIENCE SHARE

Source: Médiamétrie. Target: housewives < 50 — 2010–2014 (%)

RTL 2 — AUDIENCE SHARE

Source: Médiamétrie. Target: 13+ — 2010–2014 (%)



Fun Radio registered an audience share of 3.8 per cent (2013: 3.6 per cent) and a cumulated audience of 3.6 million listeners per day (2013: 3.5 million), making it the number three music radio station in France. RTL 2 had a share of 2.9 per cent (2013: 2.8 per cent) and a cumulated audience of 2.5 million listeners per day (2013: 2.5 million).

Digital and diversification activities

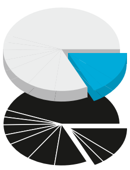
Throughout the year, RTL Net conducted an ambitious programme to reorganise all digital productions of RTL Radio, Fun Radio and RTL 2. The first step was to relaunch *RTL.fr* in June. According to the Médiamétrie/NetRatings study, *RTL.fr* reached 3.1 million unique visitors per month during 2014 (2013: 2.6 million), improving its ranking to become one of the 15 most visited French news websites. With a lead of 699,000 unique visitors on the second-placed radio site (2013: 456,000 unique visitors), *RTL.fr* remains the undisputed leader of radio sites in France and the only one to feature in the top 20 news sites.

"2014 was a turning point in RTL Radio France's history. Significant changes were made in the management team and in the programming grid. Most notably, replacing the anchorman of iconic show *Les Grosses Têtes*, hosted for 37 years by Philippe Bouvard, was a great challenge. But these moves were fundamental for our station and the results are above expectations."

CHRISTOPHER BALDELLI
CEO, RTL Radio (France)

National audience breakdown

Source: Médiamétrie. Target: 13+



	2014 (%)
General-interest radio networks	
RTL	**11.3**
France Inter	9.0
Europe 1	7.8
Music radio networks targeting young listeners	
Fun Radio	**3.8**
NRJ	7.4
Skyrock	3.8
Music radio networks targeting adults	
RTL 2	**2.9**
Nostalgie	3.9
RFM	3.1
Chérie FM	2.7
Other radios	44.3

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 investment accounted for using the equity method, Atresmedia in Spain. Additionally, this segment includes RTL Group's digital assets SpotXchange, BroadbandTV and StyleHaul.

RTL Hungary: After decreasing for five years, the Hungarian net TV advertising market grew by an estimated 4.6 per cent in 2014. Total consolidated revenue of RTL Hungary was up to €102 million (2013: €100 million) mainly due to the good performance of RTL Hungary's cable channels.

Due to the impact of the new advertising tax, RTL Group has fully impaired its total goodwill on RTL Hungary (€77 million). The Group also had to impair a number of non-current and current assets, under IFRS rules, for €18 million. These impairments, recorded against the EBITA of RTL Hungary, amounted to €9 million. Following these impairments, RTL Hungary reported an EBITA of minus €1 million (2013: €15 million). For more information please see note 7.2 to the consolidated financial statements.

RTL Klub — **TV AUDIENCE SHARE**

Source: AGB Hungary. Target: 18–49 (prime time) — 2010–2014 (%)

14	20.8
13	23.9
12	24.7
11	29.8
10	29.1

The combined prime-time audience share of the RTL family of channels in the key demographic of 18 to 49-year-old viewers was 36.6 per cent (2013: 38.0 per cent). The prime-time audience share of **RTL Klub** decreased to 20.8 per cent (2013: 23.9 per cent) though the profit centre's flagship channel remained the clear market leader, 6.4 percentage points ahead of its main commercial competitor TV2 (2013: lead of 8.4 percentage points).

The most watched programmes were once again *X-Faktor* with an average audience share of 30.7 per cent in the target group, the daily soap *Barátok közt* (Between Friends) with an audience share of 24.0 per cent, and *Éjjel-Nappal Budapest* (Budapest – Day And Night) with an audience share of 23.9 per cent. After rescheduling and repositioning the main news programme *Híradó*, the show regained leadership of all news broadcasts in Hungary – with an average audience of 23.5 per cent in December 2014 (December 2013: 20.9 per cent).

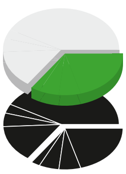
RTL Hungary's **cable channels** achieved a combined prime-time audience share of 15.9 per cent among viewers aged 18 to 49 (2013: 14.1 per cent). With a prime-time audience share of 6.1 per cent in the target group (2013: 5.5 per cent), Cool was once again the leading cable channel in Hungary. The channel's most watched show was the movie *Avatar* with an audience share of 14.2 per cent in the target group. The most watched programme on Film Plusz – which scored an average audience share of 5.5 per cent in the target group (2013: 5.5 per cent) – was *The Expendables 2* with an audience share of 15.3 per cent. On RTL II, the most watched programme was the sixth season of *Való Világ* with an average audience share of 9.7 per cent in the target group of viewers aged 18 to 49.

The channel's catch-up TV service, RTL Most, generated a total of 132 million video views in 2014 (2013: 79 million). RTL Hungary's online portfolio is the biggest local TV online video portfolio with owned and licensed content.

"2014 has been another very successful year for RTL Hungary. Despite adverse conditions – such as the new advertising tax – we have continued to build our portfolio of channels with a range of highly popular shows and once again established RTL Klub's newscast *Híradó* as the most popular and important source of news in the country."

DIRK GERKENS
CEO, RTL Hungary

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



	2014 (%)
RTL Klub	20.8
Cool	6.1
Film Plusz	5.5
RTL II	2.4
TV 2	14.4
MTV 1	5.3
Viasat 3	3.8
Others	41.7

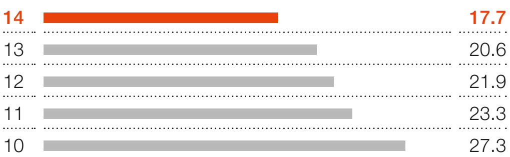
"2014 was marked by stable market conditions in Croatia. We built on this by expanding our family of channels with the launch of RTL Kockica and by further expanding our digital offering."

HENNING TEWES
CEO, RTL Hrvatska

RTL Hrvatska: In Croatia, the advertising market was estimated to be up 4.1 per cent. Total revenue of RTL Hrvatska was up to €35 million (2013: €33 million), while EBITA remained stable at break-even.

RTL Hrvatska's channels achieved a combined prime-time audience share of 25.0 per cent in the target group of viewers aged 18 to 49 (2013: 27.9 per cent) – this decrease was mainly due to ongoing fragmentation of the market and the impact of the Fifa World Cup.

RTL Televizija **TV AUDIENCE SHARE**
Source: AGB Nielsen Media Research. Target: 18–49 (prime time) 2010–2014 (%)



The flagship channel **RTL Televizija** celebrated its tenth anniversary in 2014. The channel's prime-time audience share was 17.7 per cent (2013: 20.6 per cent). Local production formats remained a vital part of the programme. *Tri, dva, jedan – kuhaj!*, an original project by RTL Televizija, was one of the most watched formats during 2014. The show – which offers traditional recipes and ways to prepare local food – attracted an average 22.5 per cent of the viewers aged 18 to 49.

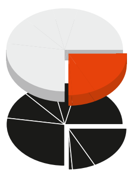
The game show *Pet na Pet* (Family Feud) recorded an average audience share of 22.2 per cent in access prime time. In August 2014, RTL Televizija launched a new series called *Vatre ivanjske*, produced by FremantleMedia Croatia, which was watched by an average 21.3 per cent of viewers in the target group. The news format *RTL Danas* remained popular, with an average audience share of 26.7 per cent.

RTL 2 recorded a prime-time audience share of 6.2 per cent (2013: 7.3 per cent). US sitcoms continued to be a vital part of the channel's offering, with *Big Bang Theory*, *Modern Family*, *Two And A Half Men* and *The Simpsons* among the most popular series. The children's channel **RTL Kockica**, launched on 11 January 2014, achieved an average audience share of 17.2 per cent among children aged 4 to 14 between 7:00 and 20:00. The channel's programming is fully adjusted to children's daily activities and segmented into three separate units: morning shows for pre-school children, afternoon shows for school children, and evening shows for young people and the whole family.

In 2014, RTL Hrvatska's web properties generated more than 11 million online video views (2013: 11 million) of which over 4 million were long-form content offered through the catch-up TV platform RTL Sada. RTL Hrvatska remained the market leader for digital video advertising in Croatia in 2014, with an estimated market share of over 40 per cent. During the year, RTL Hrvatska continued its strategy to increase the channel's presence through web verticals, launching two new properties – *ultrafit.hr*, dedicated to fitness and nutrition, in May, and *indizajn.hr*, dedicated to home improvement and decoration, in November.

RTL.hr apps on iOS and Android had been downloaded over 310,000 times by the end of 2014, while the RTL Sada second screen app on iOS was downloaded more than 17,000 times. Additionally, RTL Hrvatska's properties on social media platforms had gathered more than 440,000 fans by the end of 2014.

National audience breakdown
Source: AGB Nielsen Media Research. Target: 18–49 (prime time) 2014 (%)



RTL Televizija	**17.7**
RTL 2	**6.2**
RTL Kockica	**1.1**
Nova	27.5
HTV 2	10.9
HTV 1	8.3
Doma	7.1
Others	21.2

In 2014, 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 82.0 per cent (2013: 83.2 per cent) of all Luxembourgers aged 12 and over.

RTL Radio Lëtzebuerg is the station listeners turn to for news and entertainment, with 186,300 tuning in each weekday (2013: 199,200 listeners). The TV channel RTL Télé Lëtzebuerg attracts 136,900 viewers each day (2013: 147,100 viewers per day), representing a prime-time audience share of 48.3 per cent of Luxembourgish viewers aged 12 and over, Monday to Friday, 19:00 to 20:00 (2013: 47.7 per cent).

RTL.lu continues to be the country's most visited website, with a daily reach of 33.8 per cent among Luxembourgers aged 12 and over (2013: 30.1 per cent). The site was expanded during 2014 to include sections featuring RTL Lëtzebuerg's popular TV and radio programmes.

During 2014, RTL Télé Lëtzebuerg developed the sports contents on its TV channels. In addition to the Champion's League, RTL Lëtzebuerg has succeeded in gaining the rights for the European Qualifiers with a large focus on the national team. All the main cycling events around the world featuring Luxembourgish racers were covered live by RTL Télé Lëtzebuerg, including Tour de France and the spring classics.

Overall, together with daily and weekly sports news, live coverage of basketball games, tennis tournaments and other big national events, more than 200 hours of sports content have been produced on RTL Télé Lëtzebuerg in 2014.

RTL Lëtzebuerg — **DAILY REACH**

Source: TNS-ILRes Plurimedia 2014. Target: 12+

	2014 (%)
RTL Radio Lëtz.	52.8
RTL Télé Lëtz.*	38.2
RTL.lu	33.8
RTL Lëtzebuerg	**82.0**

*Including Den 2. RTL

"In 2014, RTL was once again the leading media brand in the Grand Duchy of Luxembourg, reaching 82.0 per cent of the Luxembourgish population every day."

ALAIN BERWICK
CEO, RTL Lëtzebuerg

BCE: In 2014, Lagardère Active, a major French media player, commissioned RTL Group's technical services provider BCE to operate its "Europe 1" long wave high power transmitter site. BCE set up a digital transmitter infrastructure fully controlled and monitored remotely.

In the UK, BCE installed a multi-playout and postproduction infrastructure for Viasat. For FremantleMedia, it managed the transfer of all IT equipment from Stephen Street to a datacentre in London and to Luxembourg for back-up reasons.

BCE was also in charge of the engineering and wiring of EVS' new headquarters in Belgium, and Ediradio's new local area network (LAN) installation in France.

At the last IBC in September 2014, BCE received an award for the best workflow/asset management/automation solution, for its services for RTL CBS Asia Entertainment Network. BCE launched the second channel, RTL CBS Extreme HD, in May.

In October, Antenne Réunion, the leading broadcasting group of Réunion Island, replaced its channel management software with BCE's broadcast software solutions (Athena, Cronos and Adonis).

"Despite the ongoing audience fragmentation in the media market, radio is the regional mass media. In a highly competitive environment RTL Radio Deutschland's stations continue to perform well; in some cases even increasing reaches and advertising revenues. With our 17 programmes and the strategy to deliver high quality content to our audience via all significant distribution platforms we have a great foundation to continue our success story."

GERT ZIMMER
CEO, RTL Radio Deutschland

RTL Radio Deutschland reported revenue of €50 million in 2014 (2013: €52 million), while EBITA amounted to €8 million (2013: €10 million). Increasing local sales activities could not fully compensate for the exceeding discount pressure on the national sales houses and the lapse of a one-off dividend.

Commercial radio in general decreased its average hourly reach year-on-year by 2.1 per cent among listeners aged 10 and over, with RTL Radio Deutschland's portfolio losing 1.8 per cent of its listeners. Nevertheless RTL Radio Deutschland's stations maintained their strong position in the regionally fragmented market and continued to deliver an impressive performance.

RTL Radio Deutschland expanded its portfolio in 2014, with RTL Radio Center Berlin acquiring a 10 per cent stake in the Berlin youth radio station, 93.6 Jam FM. RTL Radio Center Berlin now has three strong brands all performing well in the capital's highly competitive radio market with 30 FM stations: 104.6 RTL is expanding its position as market leader while 105.5 Spreeradio has secured itself fourth place in the list of Berlin's most listened-to radio stations. 93.6 Jam FM is already proving popular: the station increased its average number of listeners per hour by 27.3 per cent in 2014.

At the end of 2014, 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 23 million listeners each day, and have a combined average audience of approximately 4.7 million listeners per hour.

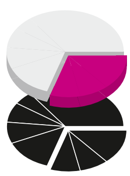
Atresmedia in Spain: The Spanish TV advertising market increased by an estimated 11.0 per cent in 2014. Despite the decision of the Spanish Supreme Court to close down nine Spanish DTT channels in May – three of which were operated by Atresmedia – the Atresmedia family of channels achieved a combined audience share of 30.0 per cent in the key commercial target group of viewers aged 16 to 54 (2013: 31.0 per cent). The main channel, Antena 3, recorded an audience share of 13.8 per cent (2013: 13.4 per cent) in the commercial target group.

Antena 3 — TV AUDIENCE SHARE
Source: TNS Sofres. Target: 16–54 — 2010–2014 (%)

14	13.8
13	13.4
12	12.5
11	11.7
10	11.8

On a 100 per cent basis, consolidated revenue of Atresmedia was up 6.4 per cent to €883 million (2013: €830 million), while operating profit (EBITDA) increased to €128 million (2013: €80 million). Net profit was €47 million (2013: €46 million), as published by Atresmedia. The profit share of RTL Group was €8 million (2013: €10 million).

National audience breakdown
Source: TNS Sofres. Target: 16–54 — 2014 (%)



	2014 (%)
Antena 3	13.8
La Sexta	7.9
Atresmedia digital channels	8.3
Telecinco	13.6
Cuatro	8.2
TVE 1	7.9
Forta	5.2
Others	35.1

SpotXchange: In September 2014, RTL Group acquired a majority shareholding in SpotXchange, a leading video advertising monetisation company. More than 3 billion video ad decisions are processed daily via SpotXchange (2013: 2 billion). Throughout the year, SpotXchange registered 88 million ad impressions served on a daily basis (2013: 60 million). According to Comscore, in October 2014, SpotXchange advertising reached 51.6 per cent of the US population.

BroadbandTV: With 25,000 channels and 290 million subscribers[25], BroadbandTV is the number three multi-channel network (MCN) on Youtube worldwide. In 2014, BroadbandTV registered a total of 23.5 billion video views – up 122 per cent from 2013. Throughout the year, the company experienced continued expansion and success internationally, with a core focus on Portuguese and Spanish-speaking markets.

In 2014, BroadbandTV announced a multi-year original programming deal with FremantleMedia North America (FMNA) and launched an internal production studio. Additionally, the major gaming network TGN – one of the top two gaming brands on Youtube – was rebranded to create nine new shows across the network. BroadbandTV signed new major deals with Sony Pictures and FremantleMedia for its content detection and management service Viso Novi and also renewed the existing contract with the NBA, the longest standing deal of its kind on Youtube. With Viso Catalyst, BroadbandTV extended its professional service offering and signed new partners including Sony Pictures with management of all media: film, TV and digital worldwide.

StyleHaul: In December 2014, RTL Group acquired a majority stake in the beauty, fashion and women's lifestyle focused multi-channel network StyleHaul. With more than 5,000 channels[25], StyleHaul is a leading multi-platform marketing solution for global fashion and beauty brands and the largest multi-channel network on Youtube within those categories. In 2014, StyleHaul registered a total of 9.0 billion video views – up 112 per cent compared to 2013. In January 2014, StyleHaul launched *The Crew*, the first series under a multi-year development deal with FremantleMedia North America's digital studio Tiny Riot. In November 2014, StyleHaul announced a partnership with the female-driven TV channel Oxygen and Trium Entertainment to develop a pilot, featuring digital stars from StyleHaul. Before 1 December 2014, StyleHaul was accounted for using the equity method. The Group has recognised a gain of €17 million as a result of measuring at fair value its 26 per cent equity interest previously held in StyleHaul.

Following the receipt of the final administrative approval regarding additional properties contributed in October 2014 to Group companies, RTL Group has recognised a capital gain of €32 million following the cease of control according to IFRS criteria ("other operating income"; 2013: €19 million).

25 As of December 2014

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 broadcaster RTL 2 Fernsehen GmbH & Co. KG and its sales house El Cartel Media GmbH & Co. KG before the regional court in Düsseldorf 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. The proceedings involve IP Deutschland GmbH, RTL Television GmbH, Vox Television GmbH, RTL Disney Fernsehen GmbH & Co. KG and N-TV Nachrichten GmbH. Broadcasters MTV Networks Germany GmbH as well as TeleMünchen-TV GmbH had initiated similar proceedings before the regional court in Munich. TeleMünchen-TV GmbH was unsuccessful in first and second instance, the judgment being now final and non-appealable. MTV Networks Germany GmbH withdrew its lawsuit in September 2013.

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 judgment 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 cent per annum until paid) plus attorney's fees. FMNA appealed the verdict. FMNA filed post-trial motions for (i) a new trial and (ii) judgment 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 filed an appeal on the denial of the motion for JNOV, while Brandi Cochran appealed the granting of a new trial. In December 2014, the Appellate Court remanded the parties for a new trial and allowed Brandi Cochran to introduce new arguments. Trial is expected to commence in late spring/early summer 2015.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties are disclosed in note 3 to the consolidated financial statements for the financial risks (pages 128 to 136) 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 'Investors' 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 2014, 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 on the 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 2014 the Board of RTL Group had 12 members: three executive directors, and nine non-executive directors. Achim Berg, co-opted as non-executive director on 5 March 2014 in replacement of Thomas Hesse, and Jonathan F Miller, elected as non-executive director at the General Meeting of Shareholders on 16 April 2014 were appointed for one year. 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 58 to 62. Four of the non-executive directors – Jonathan F Miller, 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. Jonathan F Miller, 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 four times in 2014 physically or via telephone conference – with an average attendance rate of 93 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 2014. The findings were 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 2014, a total of €0.6 million (2013: €0.6 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 9.4 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 Committee's plenary meetings are attended by the CEOs and the Executive Vice President Human Resources. The Nomination and Compensation Committee may involve other persons whose collaboration is deemed to be advantageous to assist the Nomination and Compensation Committee in fulfilling its tasks. The Chairman of the Nomination and Compensation Committee reports on the discussion held and conclusions taken by the Nomination and Compensation Committee to the subsequent Board of Directors meeting. The Nomination and Compensation Committee met five times in 2014 physically or via telephone conference, with an average attendance rate of 100 per cent.

The Nomination and Compensation Committee consults with the CEOs and gives a prior consent on the appointment and removal of executive directors and senior management, makes a proposal to the General Meeting of the Shareholders on the appointment and removal of the non-executive directors, and establishes the Group's compensation policy.

Audit Committee

The Audit Committee is composed 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 Audit & Compliance, the external auditors and other senior Group finance representatives. The Audit Committee may invite other persons whose collaboration is deemed to be advantageous to assist the Audit Committee in fulfilling its tasks. The Audit Committee met five times in 2014 physically or via telephone conference, with an average attendance rate of 90 per cent. The Chairman of the Audit Committee reports on the discussions held and conclusions taken by the Audit Committee to the subsequent Board of Directors meeting.

The Committee assists the Board of Directors in its responsibility with respect to overseeing the Group's financial reporting, the risk management and internal control as well as standards of business conduct and compliance.

The Audit Committee monitors the financial reporting process, the statutory audit of the legal and consolidated accounts, the independence of the external auditors, the effectiveness of the Group's internal controls, the compliance programme and the Group's risks. The Audit Committee reviews the Group's financial disclosures and submits a recommendation to the Board of Directors regarding the appointment of the Group's external auditors.

The Head of Audit & Compliance and the external auditors have direct access to the Chairman of the Audit Committee, who is an independent director.

CEOs

Responsibility for the 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 2014, the Executive Committee is comprised of the three Executive Directors, that is 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 63.

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 16 April 2014, the shareholders appointed Pricewaterhouse Coopers, société coopérative (PwC) for a year. PwC's mandate will expire at the Annual General Meeting on 15 April 2015.

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.

Code of Conduct

Basic guidelines for conducting business at RTL Group are governed by the Code of Conduct. The Code outlines binding minimum standards for responsible behaviour toward business partners and the public, as well as for behaviour within the company. The Group has a training programme in place to ensure that employees across RTL Group's operations are fully aware of the Code.

More information on the Code of Conduct is available at *RTLGroup.com/codeofconduct.*

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. The Code of Conduct requires to manage recordkeeping and financial reporting with integrity and transparency.

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) finance systems are largely centrally monitored via a common system platform to ensure a consistent set-up of system-embedded controls. Segregation of duties, access rights and approval limits are regularly reviewed by the local data owners for all reporting units whose finance systems are 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, forecasting of financial and operational KPIs, to consolidation and external financial reporting, and finally risk management reporting (see the 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 all the RTL Group central applications and interfaces (the "Referenced Applications") as well as their related IT infrastructure, controls objectives are defined. The description of the control environment 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.

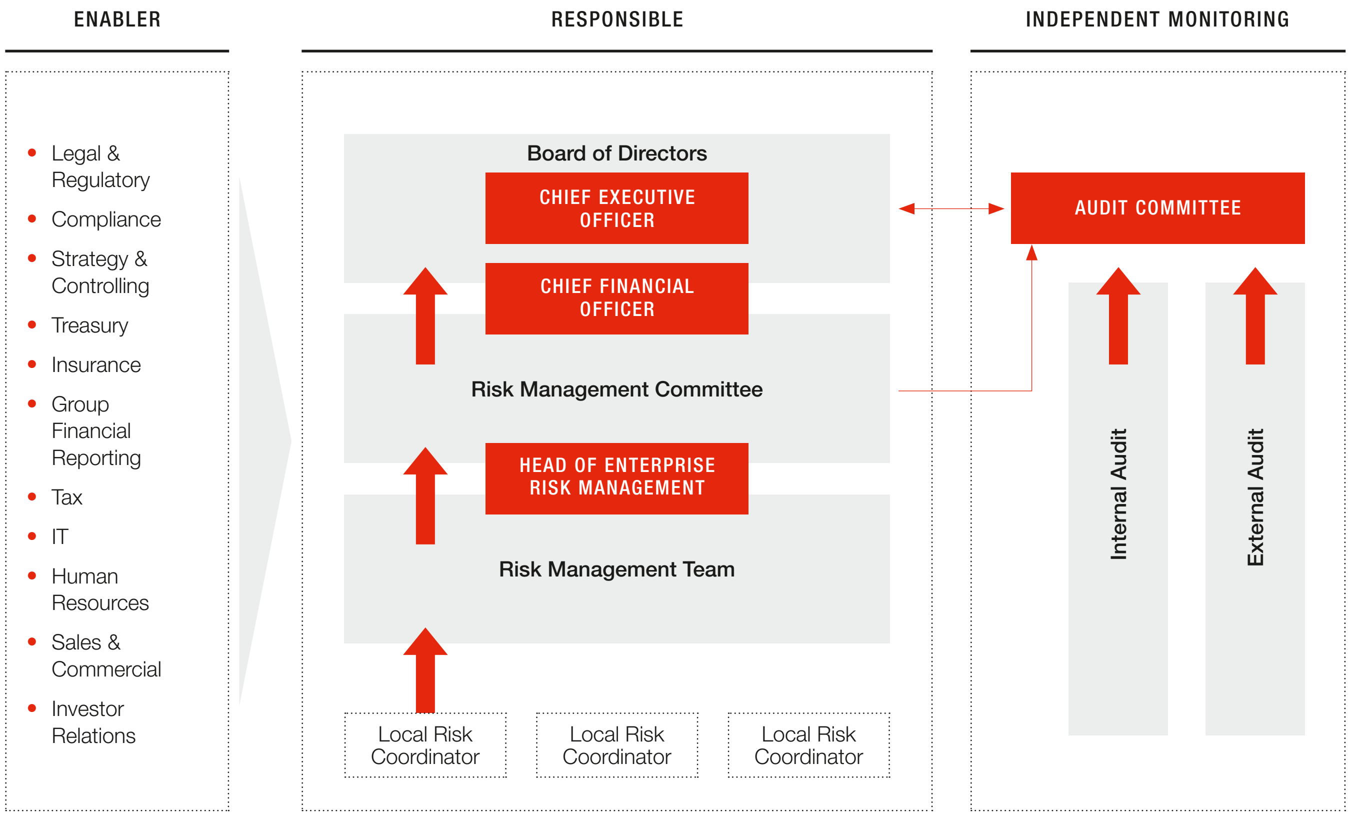
Analytics and reporting

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 as mandated by the Board of Directors.

Transparency

Finance committees ensure any issues arising at local level 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 is responsible 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 co-ordinated 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 the diagram above) 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 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

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.

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 summarised 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 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 the Internal Audit.

Going forward

RTL Group's risk management framework is constantly challenged – at both operational 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.

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 2014 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 2014 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 with no special control rights attached.

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 date 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 the 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 'Investors' 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 functionalities of the Board of Directors and its committees are described in the Articles of Association and the Corporate Governance Charter, published under the 'Investors' 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, to the exception of dismissal for serious reasons.

Subsequent events

See note 10.

OUTLOOK

The TV advertising markets in 2014 reflected the overall macro-economic situation in Europe. All European **net TV advertising markets** in RTL Group's territories were up or stable year-on-year, with the exception of Belgium – which was down 2.8 per cent. This picture is expected to be similar in 2015 with overall slight growth expected.

For the full year 2015, RTL Group expects the combined **audience shares** of its families of channels to grow slightly compared to 2014 due to both higher programme investments and the fact that the public broadcasters will not be showing major sporting events as they did in 2014.

RTL Group confirms the outlook on **FremantleMedia** which expects EBITA to be down due to lower production volumes on an important format in the US. However, if the recent strength of the US Dollar against the Euro continues, this could offset some of these effects as approximately a third of FremantleMedia's business is US-based.

RTL Group's **platform revenue**[26] is expected to continue to grow strongly, while RTL Group's **digital revenue** will grow by double-digit growth rates, driven by organic growth and consolidation effects, with StyleHaul and SpotXchange both being fully consolidated for the full year 2015.

As a result, RTL Group expects its **total revenue** and **EBITA**[27] to be broadly stable.

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)[28]. 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 2014, RVA was €457 million (2013: €463 million). With selected programme investments and higher working capital, RTL Group expects the RVA to be slightly down in 2015.

4 March 2015
The Board of Directors

26 Platform revenue defined as revenue generated across all distribution platforms (cable, satellite, IPTV) including subscription and re-transmission fees
27 Excluding one-offs
28 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 these 2014 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, 4 March 2015

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

Elmar Heggen
Chief Financial Officer

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December

	Notes	2014 €m	2013 Restated[1] €m
Revenue	4. 6.1.	5,808	5,824
Other operating income		83	51
Consumption of current programme rights		(1,903)	(1,924)
Depreciation, amortisation and impairment		(203)	(198)
Other operating expenses	6.2.	(2,681)	(2,663)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(103)	(10)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	6.3.	1	5
Profit from operating activities		**1,002**	1,085
Share of results of investments accounted for using the equity method	7.4.	47	117
Earnings before interest and taxes ("EBIT")		**1,049**	1,202
Interest income	6.4.	10	8
Interest expense	6.4.	(33)	(30)
Financial results other than interest	6.5.	(4)	70
Profit before taxes		**1,022**	1,250
Income tax expense	6.6.	(288)	(302)
Profit for the year		**734**	948
Attributable to:			
RTL Group shareholders		653	870
Non-controlling interests		81	78
Profit for the year		**734**	948
EBITA[2]		**1,145**	1,148
Impairment of goodwill of subsidiaries	7.2.	(88)	–
Impairment of disposal group	7.10.	–	(10)
Impairment of investments accounted for using the equity method	7.4. 7.10.	4	68
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(15)	(10)
Re-measurement of earn-out arrangements		2	1
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	6.3.	1	5
Earnings before interest and taxes ("EBIT")		**1,049**	1,202
Earnings per share (in €)			
– Basic	6.7.	4.25	5.67
– Diluted	6.7.	4.25	5.67

(1) See note 1.29.
(2) 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, impairment of investments accounted for using the equity method, 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

	Notes	2014 €m	2013 Restated[1] €m
Profit for the year		**734**	948
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations	7. 14.	**(50)**	–
Income tax	7. 6.	**10**	(1)
		(40)	(1)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**19**	(26)
Effective portion of changes in fair value of cash flow hedges	7. 15. 4.	**71**	(26)
Income tax	7. 6.	**(19)**	7
		52	(19)
Change in fair value of cash flow hedges transferred to profit or loss	7. 15. 4.	**–**	(15)
Income tax	7. 6.	**–**	5
		–	(10)
Fair value gains / (losses) on available-for-sale financial assets	7. 15. 5.	**(9)**	(15)
Income tax	7. 6.	**1**	3
		(8)	(12)
		63	(67)
Other comprehensive income / (loss) for the year, net of income tax		**23**	(68)
Total comprehensive income for the year		**757**	880
Attributable to:			
RTL Group shareholders		**675**	803
Non-controlling interests		**82**	77
Total comprehensive income for the year		**757**	880

(1) See note 1.29.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2014 €m	31 December 2013 Restated[1] €m	As at 1 January 2013 Restated[1] €m
Non-current assets				
Programme and other rights	7.1.	**93**	109	119
Goodwill	7.1. 7.2.	**2,870**	2,707	2,678
Other intangible assets	7.1.	**187**	198	202
Property, plant and equipment	7.3.	**337**	331	346
Investments accounted for using the equity method	7.4.	**381**	359	273
Loans and other financial assets	7.5. 7.8.	**192**	142	240
Deferred tax assets	7.6.	**395**	389	375
		4,455	4,235	4,233
Current assets				
Programme rights	7.7.	**1,028**	955	902
Other inventories		**15**	15	30
Income tax receivable		**56**	42	86
Accounts receivable and other financial assets	7.8.	**1,697**	1,721	1,995
Cash and cash equivalents	7.9.	**483**	542	621
		3,279	3,275	3,634
Assets classified as held for sale	7.10.	**4**	27	3
Current liabilities				
Loans and bank overdrafts	7.11.	**583**	36	16
Income tax payable		**42**	90	77
Accounts payable	7.12.	**2,453**	2,513	2,132
Provisions	7.13.	**166**	194	220
		3,244	2,833	2,445
Liabilities directly associated with non-current assets classified as held for sale	7.10.	**–**	24	–
Net current assets		**39**	445	1,192
Non-current liabilities				
Loans	7.11.	**521**	529	12
Accounts payable	7.12.	**392**	331	319
Provisions	7.13.	**250**	169	174
Deferred tax liabilities	7.6.	**55**	58	62
		1,218	1,087	567
Net assets		**3,276**	3,593	4,858
Equity attributable to RTL Group shareholders		**2,829**	3,159	4,366
Equity attributable to non-controlling interests		**447**	434	492
Equity	7.15.	**3,276**	3,593	4,858

(1) See note 1.29.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 2013 restated[1]		**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	7. 15. 3.	–	–	(26)	–	–	–	(26)	–	**(26)**
Effective portion of changes in fair value of cash flow hedges, net of tax	7. 15. 4.	–	–	–	(19)	–	–	(19)	–	**(19)**
Change in fair value of cash flow hedges transferred to profit or loss, net of tax		–	–	–	(10)	–	–	(10)	–	**(10)**
Fair value gains/(losses) on available-for-sale financial assets, net of tax	7. 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	7. 15. 6.	–	–	–	–	–	(1,998)	(1,998)	(144)	**(2,142)**
Equity-settled transactions, net of tax	7. 15. 7.	–	–	–	–	–	2	2	3	**5**
Transactions on non-controlling interests without a change in control	7. 15. 8.	–	–	–	–	–	(5)	(5)	1	**(4)**
Transactions on non-controlling interests with a change in control	7. 15. 8.	–	–	–	–	–	(10)	(10)	4	**(6)**
Derivatives on equity instruments	7. 15. 9.	–	–	–	–	–	1	1	1	**2**
		–	–	–	–	–	(2,010)	(2,010)	(135)	**(2,145)**
Balance at 31 December 2013 restated[1]		**192**	**(44)**	**(168)**	**(8)**	**85**	**3,102**	**3,159**	**434**	**3,593**
Total comprehensive income:										
Profit for the year		–	–	–	–	–	653	653	81	**734**
Foreign currency translation differences	7. 15. 3.	–	–	19	–	–	–	19	–	**19**
Effective portion of changes in fair value of cash flow hedges, net of tax	7. 15. 4.	–	–	–	50	–	–	50	2	**52**
Fair value gains/(losses) on available-for-sale financial assets, net of tax	7. 15. 5.	–	–	–	–	(8)	–	(8)	–	**(8)**
Re-measurement of post-employment benefit obligations, net of tax		–	–	–	–	–	(39)	(39)	(1)	**(40)**
		–	–	19	50	(8)	614	675	82	**757**
Capital transactions with owners:										
Dividends	7. 15. 6.	–	–	–	–	–	(999)	(999)	(74)	**(1,073)**
Equity-settled transactions, net of tax	7. 15. 7.	–	–	–	–	–	3	3	3	**6**
Acquisition of treasury shares	7. 15. 2.	–	(1)	–	–	–	–	(1)	–	**(1)**
Transactions on non-controlling interests without a change in control	7. 15. 8.	–	–	–	–	–	3	3	6	**9**
Transactions on non-controlling interests with a change in control	7. 15. 8.	–	–	–	–	–	(21)	(21)	(1)	**(22)**
Derivatives on equity instruments	7. 15. 9.	–	–	–	–	–	(2)	(2)	(3)	**(5)**
Transactions on treasury shares of associates		–	–	–	–	–	12	12	–	**12**
		–	(1)	–	–	–	(1,004)	(1,005)	(69)	**(1,074)**
Balance at 31 December 2014		**192**	**(45)**	**(149)**	**42**	**77**	**2,712**	**2,829**	**447**	**3,276**

(1) See note 1.29.

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

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December

	Notes	2014 €m	2013 Restated[1] €m
Cash flows from operating activities			
Profit before taxes		**1,022**	1,250
Adjustments for:			
– Depreciation and amortisation		**205**	189
– Value adjustments, impairment and provisions		**233**	110
– Share-based payments expenses		**12**	5
– Gain on disposal of assets		**(38)**	(33)
– Financial results including net interest expense and share of results of investments accounted for using the equity method		**14**	(138)
Use of provisions	7. 13.	**(95)**	(95)
Working capital changes		**(91)**	65
Income taxes paid		**(328)**	(237)
Net cash from operating activities		**934**	1,116
Cash flows from investing activities			
Acquisitions of:			
– Programme and other rights		**(99)**	(76)
– Subsidiaries, net of cash acquired	5. 4.	**(246)**	(77)
– Other intangible and tangible assets		**(85)**	(86)
– Other investments and financial assets		**(38)**	(23)
Current deposit with shareholder	9. 1.	**(75)**	–
		(543)	(262)
Proceeds from the sale of intangible and tangible assets		**7**	24
Disposal of other subsidiaries, net of cash disposed of		**1**	–
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets	7. 4. 7. 5. 7. 8.	**6**	249
Current deposit with shareholder	9. 1.	**75**	426
Interest received		**7**	25
		96	724
Net cash from/(used in) investing activities		**(447)**	462
Cash flows from financing activities			
Interest paid		**(26)**	(3)
Transactions on non-controlling interests	7. 15. 8.	**2**	(3)
Acquisition of treasury shares	7. 15. 2.	**(1)**	–
Term loan facility due to shareholder	9. 1.	**536**	500
Proceeds from loans		**17**	11
Repayment of loans		**(7)**	(6)
Dividends paid		**(1,073)**	(2,143)
Net cash used in financing activities		**(552)**	(1,644)
Net decrease in cash and cash equivalents		**(65)**	(66)
Cash and cash equivalents and bank overdrafts at beginning of year	7. 9.	**540**	616
Effect of exchange rate fluctuation on cash held		**4**	(5)
Effect of cash in disposal group held for sale	7. 10.	**–**	(5)
Cash and cash equivalents and bank overdrafts at end of year	7. 9.	**479**	540

(1) See note 1.29.

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 2014 comprise the Company and its subsidiaries (together referred to as "RTL Group" or "the Group") and the Group's interest in associates and joint ventures. RTL Group SA is the parent company of a multinational television, radio and production Group holding, directly or indirectly, investments in 541 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 2014 is set out in note 11.

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 4 March 2015.

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 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 2014:

- IAS 27, "Separate financial statements" (revised 2011)[1];
- IAS 28, "Associates and joint ventures" (revised 2011)[1];
- IAS 32 (amendments), "Financial instruments: presentation – offsetting financial assets and financial liabilities"[1];
- IAS 39 (amendments), "Financial instruments: recognition and measurement"[1];
- IFRS 10, "Consolidated financial statements". Under IFRS 10, subsidiaries are all entities including structured entities over which the Group has control. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group has reassessed the control over its investees in the light of the provisions of IFRS 10 and concluded that no change was necessary[1];
- IFRS 11, "Joint arrangements". Under IFRS 11, investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined that all are joint ventures. The Group's joint arrangements which were previously included by proportionate consolidation, are now classified as Joint Ventures under IFRS 11 and are therefore accounted for using the equity method in accordance with the provisions of the amended IAS 28, "Associates and Joint Ventures". The change affected several financial statement line items resulting in decreasing revenue and expenses, assets and liabilities. Nevertheless, profit for the period and equity were unchanged. Even though not significant for the Group, the financial effects of the change in accounting policies on the financial statement are presented in note 1.29.;
- IFRS 12, "Disclosures of interests in other entities" includes the disclosure requirements for all forms of interests in other entities including joint arrangements, associates, and unconsolidated structured entities. The Group has made the required disclosures in these consolidated financial statements (see notes 7.4. and 7.15.8.);
- IFRIC 21, "Levies"[2].

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

The following new standards and amendments have been published but are not effective for the Group's accounting period beginning on 1 January 2014. The Group has yet to assess the impact of the new standards and amendments:

- "Disclosure Initiative (Amendments to IAS 1)" – effective from 1 January 2016 to encourage companies to apply professional judgement in determining the information to disclose in their financial statements[3];
- IAS 19 revised, "Defined Benefit Plans: Employee Contributions" – effective from 1 July 2014;
- Amendments to IAS 16, "Property, plant and equipment" and IAS 38,"Intangible assets" on depreciation and amortisation and IAS 16, "Property, plant and equipment" and IAS 41, "Agriculture" related to accounting for bearer plants – effective from 1 January 2016. In the first amendment, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. However, past the headline is a rebuttable presumption, and revenue-based amortisation is permitted when it can be demonstrated that rev-

enue and the consumption of the economic benefits of the intangible asset are highly correlated[3];
- Amendment to IAS 27, “Separate financial statements”, on equity method on separate financial statements – effective from 1 January 2016[3];
- “Investments Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)” – effective from 1 January 2016[3];
- Annual improvements 2010-2012 and 2011-2013 – effective from 1 July 2014[4];
- Annual improvements 2012-2014 – effective from 1 January 2016[3];
- IFRS 9, “Financial instruments” (and related amendment on general hedge accounting) – effective from 1 January 2018. The IASB has published the complete version of IFRS 9 which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today[3];
- IFRS 14, “Regulatory deferral accounts” – effective from 1 January 2016[3];
- IFRS 15, “Revenue from contracts with customers” applies to all contracts with customers except those that are financial instruments, leases or insurance contracts and introduces a five-step process that the Group will have to follow. The new Standard goes beyond just “commercial effect”, “fair value” and “risk and rewards” and will also result in a significant increase in the volume of disclosures related to revenue. IFRS 15 will be applicable for reporting periods beginning on or after 1 January 2017[3];
- Amendments to IFRS 10, “Consolidated financial statements” and IAS 28, “Investments in associates and joint ventures”, on investment entities applying the consolidation exception – effective from 1 January 2016[3].

(1) The application of these standards, interpretations and amendments had no significant impact for the Group
(2) This interpretation was endorsed on 17 June 2014 and is applicable to the annual period beginning on or after this date. This will affect the interim period reporting from 2015 onwards. As an example, the Hungarian advertising tax will be calculated based on the revenue of the period with the applicable rate and no longer on an average rate of the expected tax for the full year
(3) These standards and interpretations have not yet been endorsed by the European Union
(4) Endorsed by the European Union in January 2015 with effective date 1 February 2015

1. 3.
Principles of consolidation

1. 3. 1.
Subsidiaries

Subsidiaries are those undertakings controlled by the Company. Control exists when the Company has power or ability (“de facto control”), directly or indirectly, over an entity; is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. 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.

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities. The amount that may become payable under the option on exercise is initially recognised at fair value within accounts payable with a corresponding charge directly to equity or through goodwill in case of business combination with the transfer of the risks and rewards of the non-controlling interests to the Group. Such options are subsequently measured at amortised cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. The charge arising is recorded as an interest expense. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

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.

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.

Investments accounted for using the equity method

The investments accounted for using the equity method comprise interests in associates and joint ventures.

Associates are defined as those investments, where the Group is able to exercise a significant influence. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of arrangements, rather than rights to their assets and obligations for their liabilities.

Such investments are recorded in the consolidated statement of financial position using the equity method of accounting and are initially recognised at cost, which includes transaction costs. Under this method the Group's share of the post-acquisition profits or losses of investments accounted for using the equity method is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves.

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 €290 million.

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

Unrealised gains on transactions between the Group and its investments accounted for using the equity method are eliminated to the extent of the Group's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of investments accounted for using the equity method have been changed where necessary to ensure consistency with the policies adopted by the Group and restated in case of specific transactions on RTL Group level in relation with investments.

1. 3. 3.

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 investments accounted for using the equity method and joint ventures are eliminated to the extent of the Group's interest in the undertaking. Unrealised gains resulting from transactions with associates and joint ventures are eliminated against the investment accounted for using the equity method. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

1. 4.

Foreign currency translation

1. 4. 1.

Foreign currency translations and balances

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

1. 4. 2.

Financial statements of foreign operations

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

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

1. 5.

Derivative financial instruments and hedging activities

Fair value

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

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

Cash flow hedging

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

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

- For qualifying hedges, the effective component of fair value changes on the hedging instrument (mostly foreign currency forward contracts or cash balances in foreign currencies) is deferred in "Hedging reserve";
- Amounts deferred in "Hedging reserve" are subsequently released to the income statement in the periods in which the hedged item impacts the income statement or are used to adjust the carrying value of assets purchased (basis adjustment). When hedging forecast purchases of programme rights in foreign currency, releases from equity via a basis adjustment occur 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 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, SpotXchange and the Multi Channels Networks, 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 of disposal and value in use. In assessing value in use, and fair value less costs of disposal 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 the carrying amount and fair value less costs of disposal 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 under-performance of a previous season, the withdrawal of the programme's main advertisers or a decline in the popularity or success of sports 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 sports 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 through the profit or loss.

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.

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the vesting period until settlement with recognition of a corresponding liability. The liability is re-measured at each reporting date up to, and including, the settlement date, with changes in fair value recognised in the income statement.

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 at the Shareholders' meeting or authorised by the Board of Directors in case of interim dividend.

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 and the shares held under the liquidity agreement (see note 6.7.).

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. There is currently no category of dilutive potential ordinary shares.

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.

1. 29. Impact of changes in accounting policies and disclosures

As a result of the adoption of IFRS 11, the effects of the change in accounting policies on the consolidated income statement, the consolidated statement of financial position and consolidated statement of cash flows are presented over the following pages. There was no impact on the consolidated statement of comprehensive income and on the consolidated statement of changes in equity. The notes have been restated accordingly. The changes mainly relate to RTL Disney Fernsehen GmbH & Co. KG.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2013

	As originally published €m	Restatement IFRS 11 €m	**Restated €m**
Revenue	5,889	(65)	**5,824**
Other operating income	50	1	**51**
Consumption of current programme rights	(1,940)	16	**(1,924)**
Depreciation, amortisation and impairment	(203)	5	**(198)**
Other operating expenses	(2,687)	24	**(2,663)**
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(10)	–	**(10)**
Gain / (loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	5	–	**5**
Profit from operating activities	1,104	(19)	**1,085**
Share of results of investments accounted for using the equity method	102	15	**117**
Earnings before interest and taxes (“EBIT”)	1,206	(4)	**1,202**
Interest income	8	–	**8**
Interest expense	(30)	–	**(30)**
Financial results other than interest	69	1	**70**
Profit before taxes	1,253	(3)	**1,250**
Income tax expense	(305)	3	**(302)**
Profit for the year	948	–	**948**
Attributable to:			
RTL Group shareholders	870	–	**870**
Non-controlling interests	78	–	**78**
Profit for the year	948	–	**948**
EBITA*	1,152	(4)	**1,148**
Impairment of disposal group	(10)	–	**(10)**
Reversal of impairment of investments accounted for using the equity method	68	–	**68**
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(10)	–	**(10)**
Re-measurement of earn-out arrangements	1	–	**1**
Gain from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	5	–	**5**
Earnings before interest and taxes (“EBIT”)	1,206	(4)	**1,202**
Earnings per share (in €)			
– Basic	5.67	–	**5.67**
– Diluted	5.67	–	**5.67**

* 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, impairment of investments accounted for using the equity method, 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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

	As originally published €m	Restatement IFRS 11 €m	Restated €m
Non-current assets			
Programme and other rights	114	(5)	**109**
Goodwill	2,709	(2)	**2,707**
Other intangible assets	198	–	**198**
Property, plant and equipment	332	(1)	**331**
Investments accounted for using the equity method	336	23	**359**
Loans and other financial assets	141	1	**142**
Deferred tax assets	392	(3)	**389**
	4,222	13	**4,235**
Current assets			
Programme rights	961	(6)	**955**
Other inventories	15	–	**15**
Income tax receivable	42	–	**42**
Accounts receivable and other financial assets	1,726	(5)	**1,721**
Cash and cash equivalents	574	(32)	**542**
	3,318	(43)	**3,275**
Assets classified as held for sale	27	–	**27**
Current liabilities			
Loans and bank overdrafts	37	(1)	**36**
Income tax payable	92	(2)	**90**
Accounts payable	2,538	(25)	**2,513**
Provisions	195	(1)	**194**
	2,862	(29)	**2,833**
Liabilities directly associated with non-current assets classified as held for sale	24	–	**24**
Net current assets	459	(14)	**445**
Non-current liabilities			
Loans	530	(1)	**529**
Accounts payable	331	–	**331**
Provisions	169	–	**169**
Deferred tax liabilities	58	–	**58**
	1,088	(1)	**1,087**
Net assets	3,593	–	**3,593**
Equity attributable to RTL Group shareholders	3,159	–	**3,159**
Equity attributable to non-controlling interests	434	–	**434**
Equity	3,593	–	**3,593**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2013

	As originally published €m	Restatement IFRS 11 €m	Restated €m
Cash flows from operating activities			
Profit/(loss) before taxes	1,253	(3)	**1,250**
Adjustments for:			
– Depreciation and amortisation	195	(6)	**189**
– Value adjustments, impairment and provisions	110	–	**110**
– Share-based payments expenses	5	–	**5**
– Gain on disposal of assets	(33)	–	**(33)**
– Financial results including net interest expense and share of results of investments accounted for using the equity method	(142)	4	**(138)**
Use of provisions	(95)	–	**(95)**
Working capital changes	68	(3)	**65**
Income taxes paid	(240)	3	**(237)**
Net cash from/(used in) operating activities	1,121	(5)	**1,116**
Cash flows from investing activities			
Acquisitions of:			
– Programme and other rights	(81)	5	**(76)**
– Subsidiaries, net of cash acquired	(79)	2	**(77)**
– Other intangible and tangible assets	(86)	–	**(86)**
– Other investments and financial assets	(18)	(5)	**(23)**
	(264)	2	**(262)**
Proceeds from the sale of intangible and tangible assets	23	1	**24**
Disposal of other subsidiaries, net of cash disposed of	–	–	**–**
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets	250	(1)	**249**
Current deposit with shareholder	426	–	**426**
Interest received	25	–	**25**
	724	–	**724**
Net cash from investing activities	460	2	**462**
Cash flows from financing activities			
Interest paid	(3)	–	**(3)**
Transactions on non-controlling interests	(3)	–	**(3)**
Term loan facility due to shareholder	500	–	**500**
Proceeds from loans	11	–	**11**
Repayment of loans	(6)	–	**(6)**
Dividends paid	(2,143)	–	**(2,143)**
Net cash used in financing activities	(1,644)	–	**(1,644)**
Net decrease in cash and cash equivalents	(63)	(3)	**(66)**
Cash and cash equivalents and bank overdrafts at beginning of year	645	(29)	**616**
Effect of exchange rate fluctuation on cash held	(5)	–	**(5)**
Effect of cash in disposal group held for sale	(5)	–	**(5)**
Cash and cash equivalents and bank overdrafts at end of year	572	(32)	**540**

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. Consolidation of entities in which the Group holds less than 50 per cent

Even though it has less than 50 per cent of the voting rights, management consider that the Group has de facto control of Groupe M6. The Group is the majority shareholder of Groupe M6 while the balance of other holdings remains highly dispersed and the other shareholders have not organised their interest in such a way that they intend to vote differently from the Group.

2. 2. 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. 3. Estimated impairment of goodwill and investments accounted for using the equity method

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 accounted for using the equity method 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, interrelated 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. 4. Contingent consideration and put option liabilities on non-controlling interests

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. Put option liabilities on non-controlling interests are valued based on the net present value of the expected cash outflow in case of exercise of the option by the counterparty.

2. 5.
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 flow analysis to differ by 10 per cent from management's estimates.

2. 6.
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. RTL Group management review on a regular basis the expected settlement of the provisions.

2. 7.
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 2014, deferred tax assets on losses carry-forwards (mainly in Germany, €25 million; 2013: €28 million) and on temporary differences (mainly in Germany, €316 million; 2013: €335 million) have been reassessed on the basis of currently implemented tax strategies.

2. 8.
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 (such as corporate AA bonds) and depending on the duration of the plan;
- Estimate of future salary increases mainly taking into account inflation, seniority, promotion and supply and demand in the employment market.

2. 9.
Disposal groups

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

2. 10.
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 15 million as at 31 December 2014, USD 76 million as at 31 December 2013).

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. Group companies are required to hedge their entire foreign currency exchange risk exposure with Group Treasury in accordance with the Group Treasury policies. 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 75 per cent (2013: 70 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 each subsidiary's 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

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 7.15.4.). It is added 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 2014, the amount of ineffectiveness (see note 6.5.) that has been recognised in the income statement is €(4) million (€ nil million in 2013).

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.

Foreign exchange derivative contracts

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

	2014 €m	2013 €m
Net fair value of foreign exchange derivative assets (see notes 7.8. and 7.12.)	**62**	(15)
Operating foreign exchange gains/(losses)[1]	**13**	(1)
Cash flow hedges ineffectiveness gains/(losses) (see note 6.5.)	**(4)**	–

	2014 €m	2013 €m
Less than 3 months	10	(6)
Less than 1 year	24	(1)
Less than 5 years	28	(8)
Net fair value of derivative assets (see notes 7.8. and 7.12.)	62	(15)

(1) These amounts relate to derivatives used to offset the currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied

The split by maturities of notional amounts of forward exchange contracts at 31 December 2014 is, for the main foreign currencies, as follows:

	2015 £m	2016 £m	2017 £m	2018 £m	> 2018 £m	**Total £m**
Buy	138	19	9	4	3	173
Sell	(282)	(10)	(2)	–	(2)	(296)
Total	**(144)**	**9**	**7**	**4**	**1**	**(123)**

	2015 $m	2016 $m	2017 $m	2018 $m	> 2018 $m	**Total $m**
Buy	900	233	124	61	13	1,331
Sell	(372)	(39)	(14)	(10)	(1)	(436)
Total	**528**	**194**	**110**	**51**	**12**	**895**

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	899	298	180	96	58	1,531
Sell	(316)	(62)	(14)	(1)	(4)	(397)
Total	**583**	**236**	**166**	**95**	**54**	**1,134**

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 on the Group profit or loss (2013: no material impact), and an additional pre-tax €62 million income (respectively expense) (2013: an income of €68 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 on the Group profit or loss (2013: no material impact), and an additional pre-tax €2 million expense (respectively income) (2013: an expense of €3 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 (2013: no material impact).

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

Interest rate risk
The Group interest rate risk arises primarily from loans payable, financing agreements with Bertelsmann SE & Co. KGaA (see note 9.1.) 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.

The Group entered in 2013 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 €555 million (2013: €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 facility matures on 24 February 2018. The interest rates for loans under the revolving and swing line facility 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.

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/(expense) at 31 December 2014 would have been decreased (respectively increased) by €1 million (2013: €6 million).

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 investments accounted for using the equity method – fixed rate	7. 8.	5.4	1	–	–	–	1	–
Loans to investments accounted for using the equity method – floating rate	7. 5.	1.3	3	–	3	–	–	–
Other loans – fixed rate	7. 5.	3.4	39	20	11	8	–	–
Other loans – floating rate	7. 5.	0.6	5	4	1	–	–	–
Cash and cash equivalents – earning assets	7. 9.	0.3	483	483	–	–	–	–
Bank loans – fixed rate	7. 11.	5.2	(19)	–	(11)	(8)	–	–
Bank loans – floating rate	7. 11.	1.4	(2)	(2)	–	–	–	–
Term loan facility due to shareholder – fixed rate	7. 11.	2.7	(500)	–	–	–	–	(500)
Revolving loan facility due to shareholder – floating rate	7. 11.	0.7	(536)	(536)	–	–	–	–
Loans due to investments accounted for using the equity method – floating rate	7. 11.	0.2	(5)	(5)	–	–	–	–
Bank overdrafts	7. 11.	0.1	(4)	(4)	–	–	–	–
Leasing liabilities – fixed rate	7. 11.	5.6	(1)	(1)	–	–	–	–
Leasing liabilities – floating rate	7. 11.	0.3	(2)	–	(2)	–	–	–
Loans payable – not bearing interest	7. 11.	–	(5)	–	–	(1)	(1)	(3)
Loans payable – floating rate	7. 11.	1.8	(15)	(15)	–	–	–	–
At 31 December 2014			**(558)**	**(56)**	**2**	**(1)**	**–**	**(503)**
Loans to investments accounted for using the equity method – fixed rate	7. 8.	8.0	1	–	1	–	–	–
Loans to investments accounted for using the equity method – floating rate	7. 5.	0.4	3	2	1	–	–	–
Other loans – fixed rate	7. 5.	3.7	48	–	10	37	1	–
Other loans – floating rate	7. 5.	0.5	7	5	2	–	–	–
Cash and cash equivalents – earning assets	7. 9.	0.9	542	542	–	–	–	–
Bank loans – fixed rate	7. 11.	5.2	(28)	–	(10)	(17)	(1)	–
Bank loans – floating rate	7. 11.	6.1	(4)	(1)	(3)	–	–	–
Term loan facility due to shareholder – fixed rate	7. 11.	2.7	(500)	–	–	–	–	(500)
Loans due to investments accounted for using the equity method – fixed rate	7. 11.	2.0	(4)	–	(4)	–	–	–
Bank overdrafts	7. 11.	0.3	(2)	(2)	–	–	–	–
Leasing liabilities – fixed rate	7. 11.	5.9	(1)	–	–	(1)	–	–
Loans payable – not bearing interest	7. 11.	–	(4)	–	–	–	(1)	(3)
Loans payable – floating rate	7. 11.	3.2	(8)	(8)	–	–	–	–
At 31 December 2013			**50**	**538**	**(3)**	**19**	**(1)**	**(503)**

(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 2014, the combined television and radio advertising revenue contributed 59 per cent of the Group's revenue (2013: 58 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 2014, these activities contributed 29 per cent of the Group's revenue (2013: 29 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 €58 million and € nil million) at 31 December 2014:

	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	74	47	–	–	–	–	–	27
Trade accounts receivable	1,095	757	162	59	36	17	12	52
Accounts receivable and loans receivable to investment accounted for using the equity method	33	31	2	–	–	–	–	–
Other accounts receivable and current financial assets	488	477	3	–	–	–	–	8
Cash and cash equivalents	483	483	–	–	–	–	–	–
At 31 December 2014	**2,173**	**1,795**	**167**	**59**	**36**	**17**	**12**	**87**

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	81	54	–	–	–	–	–	27
Trade accounts receivable	1,128	796	149	54	30	17	23	59
Accounts receivable and loans receivable to investment accounted for using the equity method	37	37	–	–	–	–	–	–
Other accounts receivable and current financial assets	476	465	4	–	–	–	–	7
Cash and cash equivalents	542	542	–	–	–	–	–	–
At 31 December 2013	**2,264**	**1,894**	**153**	**54**	**30**	**17**	**23**	**93**

The top ten trade accounts receivable represent €102 million (2013: €113 million) while the top 50 trade accounts receivable represent €275 million (2013: €318 million).

The top ten counterparties for cash and cash equivalents represent €219 million (2013: €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 9.1.).

(1) At 31 December 2014, cumulated valuation allowances amount to €83 million of which €4 million on a collective basis. The latter are not taken into account in the table above
(2) At 31 December 2013, cumulated valuation allowances amount to €93 million of which €4 million on a 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).

2014	€m	Under 1 year €m	1–5 years €m	Over 5 years €m
Credit facilities – banks				
Committed facilities	**295**	295	–	–
Headroom	**85**	85	–	–

2013	€m	Under 1 year €m	1–5 years €m	Over 5 years €m
Credit facilities – banks				
Committed facilities	**234**	233	1	–
Headroom	**43**	42	1	–

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 9.1.) choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the closing date to the contractual maturity date. The amounts disclosed in the table 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	597	71	551	**1,219**
Accounts payable[1]	1,960	142	22	**2,124**
At 31 December 2014	**2,557**	**213**	**573**	**3,343**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	654	62	–	**716**
– Inflow	(640)	(60)	–	**(700)**
At 31 December 2014	**14**	**2**	**–**	**16**

	Under 1 year €m	1–5 years €m	Over 5 years €m	**Total €m**
Non-derivative financial liabilities				
Loans and bank overdrafts	50	79	565	**694**
Accounts payable[1]	1,986	113	23	**2,122**
At 31 December 2013	**2,036**	**192**	**588**	**2,816**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	871	311	–	**1,182**
– Inflow	(848)	(297)	–	**(1,145)**
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

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 accounted for using the equity method, 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 operations, 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[1] €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)	7. 5.	–	–	18	58	**76**
Accounts receivable and other financial assets[2]	7. 8.	–	78	1,591	–	**1,669**
Cash and cash equivalents	7. 9.	–	–	483	–	**483**
At 31 December 2014		**–**	**78**	**2,092**	**58**	**2,228**

(1) Out of which €24 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied (see note 3.1.1.)
(2) Accounts receivable exclude prepaid expenses, other tax receivables and other non-financial receivables

	Notes	Liabilities at fair value through profit or loss €m	Derivatives used for hedging[1] €m	Other financial liabilities[2] €m	Total €m
Liabilities					
Loans and bank overdrafts	7. 11.	–	–	1,104	**1,104**
Accounts payable[3]	7. 12.	30	16	2,069	**2,115**
At 31 December 2014		**30**	**16**	**3,173**	**3,219**

(1) Out of which €13 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied (see note 3.1.1.)
(2) At amortised cost
(3) 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 €m	Derivatives used for hedging[1] €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)	7.5.	–	–	45	65	**110**
Accounts receivable and other financial assets[2]	7.8.	–	22	1,584	–	**1,606**
Cash and cash equivalents	7.9.	–	–	542	–	**542**
At 31 December 2013		**–**	**22**	**2,171**	**65**	**2,258**

(1) Out of which €6 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied (see note 3.1.1.)
(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[1] €m	Other financial liabilities[2] €m	Total €m
Liabilities					
Loans and bank overdrafts	7.11.	–	–	565	**565**
Accounts payable[3]	7.12.	–	37	2,076	**2,113**
At 31 December 2013		**–**	**37**	**2,641**	**2,678**

(1) Out of which €12 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied (see note 3.1.1.)
(2) At amortised cost
(3) Accounts payable exclude employee benefits liability, deferred income, social security and other taxes payable, advance payments and other non-financial liabilities

The above mentioned financial assets and liabilities are not subject to offsetting, enforceable master netting arrangements and similar agreements.

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	**58**	8	–	50
Derivatives used for hedging (see note 3.1.1.)	**78**	–	78	–
At 31 December 2014	**136**	**8**	**78**	**50**
Liabilities				
Derivatives used for hedging (see note 3.1.1.)	**16**	–	16	–
Liabilities in relation to put options on non-controlling interests (see note 5.2.)	**30**	–	–	30
At 31 December 2014	**46**	**–**	**16**	**30**

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Available-for-sale investments	**65**	14	–	51
Derivatives used for hedging (see note 3.1.1.)	**22**	–	22	–
At 31 December 2013	**87**	**14**	**22**	**51**
Liabilities				
Derivatives used for hedging (see note 3.1.1.)	**37**	–	37	–
At 31 December 2013	**37**	**–**	**37**	**–**

There were no transfers between Levels 1, 2 and 3 during the years 2014 and 2013.

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 is 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, based for the main instruments on the significant unobservable inputs (e.g. forecast revenue growth rates and market multiple, 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 2014:

	Financial assets at fair value through profit or loss €m	Available-for-sale investments €m	**Total assets €m**	Liabilities at fair value through profit or loss €m
Balance at 1 January	–	51	**51**	–
Acquisitions and additions	–	1	**1**	30
Gains and losses recognised in other comprehensive income	–	(2)	**(2)**	–
Gains and losses recognised in profit or loss (“Financial results other than interest”, see note 6.5.)	–	–	**–**	–
Balance at 31 December	–	50	**50**	30
Total gains / (losses) for the period included in profit or loss for assets held at the end of the reporting period	**–**	**–**	**–**	**–**

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 assets €m**	Liabilities at fair value through profit or loss €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 6.5.)	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**	**–**

4. 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 Radical Media accounted for using the equity method), each one led by a CEO. They manage operations in television, radio, content production, digital and diversification businesses. The Group owns interests in 49 TV channels and 29 radio stations in eight European countries and across South East Asia, of which four TV channels and three radio stations are held by Atresmedia as associate. BroadbandTV, FremantleMedia, Radical Media (as an associate), SpotXchange, Style Haul and UFA Sports operate an international network in the content and digital businesses.

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 (through RTL Disney Fernsehen GmbH & Co. KG, joint-venture accounted for using the equity method), RTL Nitro and N-TV, thematic pay channels RTL Crime, RTL Living, Passion and the newly launched Geo Television, and an equity participation in the 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 6ter, plus a number of smaller thematic pay channels. This segment also includes significant other activities such as new media, home shopping, 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 includes the stations RTL Radio, RTL 2 and Fun Radio.

RTL Hungary (2014: € 102 million; 2013: € 100 million) and **German radio** (2014: € 50 million; 2013: € 52 million) are the major contributors towards the revenue of "Other segments". Group headquarter, which provides services and initiates development projects, 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. RTL Group's Executive Committee will also dedicate more management attention towards a new key performance indicator, EBITDA. EBITDA will be reported on a segmental basis both internally, via the management financial information, and externally.

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.

4. 1. Segment information

	Mediengruppe RTL Deutschland 2014 €m	Mediengruppe RTL Deutschland 2013 €m	Groupe M6 2014 €m	Groupe M6 2013 €m
Revenue from external customers	**2,044**	1,953	**1,289**	1,365
Inter-segment revenue	**3**	2	**6**	9
Total revenue	**2,047**	1,955	**1,295**	1,374
Profit/(loss) from operating activities	**615**	587	**207**	190
Share of results of investments accounted for using the equity method	**34**	35	**(1)**	–
EBIT	**649**	622	**206**	190
EBITDA	**665**	634	**327**	319
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)	**(15)**	(15)	**(118)**	(112)
EBITA	**650**	619	**209**	207
Impairment of goodwill of subsidiaries	**–**	–	**–**	–
Impairment of disposal	**–**	–	**–**	(10)
Impairment of investments accounted for using the equity method	**–**	–	**–**	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	**(1)**	(1)	**(4)**	(7)
Re-measurement of earn-out arrangements	**–**	–	**–**	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**–**	4	**1**	–
EBIT	**649**	622	**206**	190
Interest income				
Interest expense				
Financial results other than interest				
Income tax expense				
Profit for the year				
Segment assets (assets classified as held for sale and investments accounted for using the equity method excluded)	**1,561**	1,494	**1,477**	1,416
Investments accounted for using the equity method	**75**	76	**6**	2
Assets classified as held for sale	**–**	–	**–**	22
Segment assets	**1,636**	1,570	**1,483**	1,440
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	**950**	872	**643**	633
Liabilities directly associated with non-current assets classified as held for sale	**–**	–	**–**	24
Segment liabilities	**950**	872	**643**	657
Invested capital	**686**	698	**840**	783
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]	**43**	12	**121**	122
Depreciation and amortisation	**(16)**	(16)	**(122)**	(119)
Impairment losses excluding goodwill	**–**	–	**–**	–
Impairment of goodwill of subsidiaries 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 incremental fair value on identifiable assets following purchase accounting

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
2014 €m	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m
1,341	1,370	**457**	448	**197**	208	**163**	172	**317**	308	**–**	–	**5,808**	5,824
145	155	**–**	–	**2**	1	**3**	3	**43**	41	**(202)**	(211)	**–**	–
1,486	1,525	**457**	448	**199**	209	**166**	175	**360**	349	**(202)**	(211)	**5,808**	5,824
85	134	**104**	103	**47**	46	**21**	29	**(77)**	(4)	**–**	–	**1,002**	1,085
6	3	**(1)**	–	**–**	–	**–**	–	**9**	79	**–**	–	**47**	117
91	137	**103**	103	**47**	46	**21**	29	**(68)**	75	**–**	–	**1,049**	1,202
149	156	**110**	110	**50**	51	**25**	33	**22**	25	**–**	–	**1,348**	1,328
(36)	(20)	**(7)**	(7)	**(4)**	(5)	**(4)**	(4)	**(19)**	(17)	**–**	–	**(203)**	(180)
113	136	**103**	103	**46**	46	**21**	29	**3**	8	**–**	–	**1,145**	1,148
(9)	–	**–**	–	**–**	–	**–**	–	**(79)**	–	**–**	–	**(88)**	–
–	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(10)
4	–	**–**	–	**–**	–	**–**	–	**–**	68	**–**	–	**4**	68
–	–	**–**	–	**–**	–	**–**	–	**(10)**	(2)	**–**	–	**(15)**	(10)
2	1	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**2**	1
(19)	–	**–**	–	**1**	–	**–**	–	**18**	1	**–**	–	**1**	5
91	137	**103**	103	**47**	46	**21**	29	**(68)**	75	**–**	–	**1,049**	1,202
												10	8
												(33)	(30)
												(4)	70
												(288)	(302)
												734	948
1,678	1,755	**388**	390	**165**	167	**168**	167	**632**	416	**(133)**	(123)	**5,936**	5,682
16	–	**7**	4	**–**	–	**–**	–	**277**	277	**–**	–	**381**	359
4	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**4**	22
1,698	1,755	**395**	394	**165**	167	**168**	167	**909**	693	**(133)**	(123)	**6,321**	6,063
456	496	**118**	144	**110**	115	**61**	68	**357**	304	**(133)**	(123)	**2,562**	2,509
–	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	24
456	496	**118**	144	**110**	115	**61**	68	**357**	304	**(133)**	(123)	**2,562**	2,533
1,242	1,259	**277**	250	**55**	52	**107**	99	**552**	389	**–**	–	**3,759**	3,530
												6,321	6,063
												395	389
												56	42
												483	501
												483	542
												7,738	7,537
												2,562	2,533
												55	58
												42	90
												1,803	1,263
												4,462	3,944
32	26	**12**	24	**6**	2	**3**	3	**243**	38	**–**	–	**460**	227
(35)	(19)	**(7)**	(6)	**(4)**	(5)	**(4)**	(4)	**(18)**	(19)	**–**	–	**(206)**	(188)
(1)	(1)	**–**	(1)	**–**	–	**–**	–	**(11)**	–	**–**	–	**(12)**	(2)
–	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(10)

Restructuring cost amounted to €5 million (2013: € 6 million)

4. 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	
	2014 €m	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m	**2014 €m**	2013 €m
Revenue from external customers	**2,155**	2,036	**1,427**	1,537	**599**	604	**475**	460	**230**	231	**218**	236	**704**	720	**5,808**	5,824
Non-current assets	**1,011**	1,002	**920**	925	**679**	441	**303**	300	**48**	47	**409**	411	**117**	219	**3,487**	3,345
Assets classified as held for sale	**–**	–	**–**	27	**–**	–	**–**	–	**–**	–	**–**	–	**4**	–	**4**	27
Capital expenditure	**50**	17	**124**	125	**227**	7	**12**	25	**6**	2	**1**	5	**40**	46	**460**	227

The revenue generated in Luxembourg amounts to €47 million (2013: €60 million). The total of non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets located in Luxembourg amounts to €47 million (2013: €25 million).

5. ACQUISITIONS AND DISPOSALS

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

Acquisitions have been consolidated using the purchase method of accounting with goodwill being recognised as an asset. The acquisitions have been included in the consolidated financial statements from the date that the control was obtained by the Group.

In aggregate, the acquired businesses contributed revenue of €97 million and profit attributable to RTL Group shareholders of €(1) million for the post acquisition period to 31 December 2014. 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 €5,877 million and €652 million, respectively.

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

2014

Best of TV

On 7 January 2014, Groupe M6 acquired 51 per cent of Best of TV SAS and Best of TV Benelux SPRL ("Best of TV"). Best of TV has developed a leading position in France in distributing infomercial and teleshopping products through major French retail chains. This acquisition enables Groupe M6 to strengthen the position of its subsidiary, Home Shopping Service, in the home shopping and infomercial business. The transaction qualified as a business combination since RTL Group gained the control of Best of TV. A contingent consideration has been recognised for €5 million at the acquisition date and re-measured through the profit or loss ("Other operating expense") for €0.7 million at 31 December 2014. The purchase consideration amounted to €9 million, net of cash acquired, and resulted in the recognition of a provisional goodwill of €8 million. Goodwill in connection with the transaction will not be tax deductible. Best of TV is allocated to the Groupe M6 cash generating unit.

The remaining 49 per cent interest is subject to put and call options based on the fair value of the entity at the exercise date between 2017 and 2025. The amount of the option is capped at €19 million. The put option has been recognised at the acquisition date for €16 million through equity as a liability for the present value of the redemption amount. The financial liability is subsequently measured at fair value through profit or loss. This is a Level 3 fair value measurement.

The transaction-related costs are insignificant.

	Fair value at date of gain of control €m
Cash and cash equivalents	3
Property, plant and equipment	1
Other inventories	3
Accounts receivable and other financial assets	7
Accounts payable	(4)
Loans	(2)
Non-controlling interests	(4)
Net assets acquired	**4**
Goodwill	8
Total purchase consideration	**12**
Contingent consideration	(5)
Cash and cash equivalents in operations acquired	(3)
Cash outflow on acquisition	**4**

495 Productions

On 26 March 2014, RTL Group acquired 75 per cent of 495 Productions Holdings LLC and its 100 per cent affiliates ("495 Productions"). 495 Productions is a US-based production entity specialising in unscripted, female-skewed docu-series for cable networks. This acquisition enables FremantleMedia to expand and diversify its core TV production business internationally. 495 Productions is allocated to the FremantleMedia cash generating unit. The transaction qualified as a business combination since RTL Group gained the control of 495 Productions. The purchase consideration, net of cash acquired, amounted to €18 million. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. This resulted in the recognition of a goodwill of €20 million. The goodwill is attributable mainly to the skills and talent of 495 Productions' workforce and the synergies expected to be achieved from the integration of 495 Productions into the FremantleMedia business. Goodwill in connection with the transaction will be tax deductible.

The remaining 25 per cent interest is subject to put and call options based on a performance-related component. The put option liability has been recognised through equity for the present value of the redemption amount of €7 million.

The transaction related costs amount to €0.6 million, mainly consisting of legal fees and due diligence costs reported in "Other operating expenses".

	Fair value at date of gain of control €m
Cash and cash equivalents	2
Current programme rights	10
Accounts receivable and other financial assets	1
Accounts payable	(13)
Net assets acquired	**–**
Goodwill	20
Total purchase consideration	**20**
Deferred consideration	(1)
Cash and cash equivalents in operations acquired	(2)
Cash outflow on acquisition	**17**

SpotXchange

On 1 September 2014, RTL Group acquired 70.79 per cent of SpotXchange Inc (65.21 per cent on a fully diluted per share basis) and its 100 per cent affiliates ("SpotXchange"). SpotXchange is a leading programmatic video advertising platform. With the acquisition of SpotXchange, RTL Group enters a significantly growing, but still evolving, market and further enhances its global position in online video, especially with regard to monetisation skills and technological competencies. Thus, the investment supports the digital transformation of RTL Group. The transaction qualified as a business combination since RTL Group gained the control over SpotXchange.

The purchase consideration, partly contributed to SpotXchange, amounts to €104 million, net of cash acquired and contingent on a cash-and-debt free position adjusted for normalised working capital, and resulted in the recognition of a provisional goodwill of €96 million. A deferred tax asset of €8 million related to losses carried forward and share-based arrangements has been recorded; the fair values have been measured on a provisional basis. The goodwill is attributable mainly to the skills and talent of SpotXchange workforce and the synergies expected. The goodwill arising from the acquisition will not be tax deductible.

The purchase agreement includes an earn-out mechanism based on a variable performance component and up to a maximum and undiscounted amount of €21 million. The contingent consideration has been estimated and recognised for nil at 31 December 2014.

RTL Group holds a call option for the remaining non-controlling interests exercisable in 2017. The strike price is based on two variable components and not capped. The undiscounted amount of the expected exercise price of the call option is USD 164 million. No fair value has been recognised at 31 December 2014. Further, the deal terms include a capped put option against RTL Group. However, the exercise of the put option is in the full control of RTL Group and no liability has therefore been recognised.

The transaction-related costs amount to €4.1 million, mainly consisting of legal and success fees and due diligence costs. These are reported in "Other operating expenses".

	Fair value at date of gain of control €m
Cash and cash equivalents	4
Property, plant and equipment	3
Net deferred tax assets	9
Accounts receivable and other financial assets	32
Accounts payable	(29)
Loans	(2)
Non-controlling interests	(5)
Net assets acquired	**12**
Goodwill	96
Total purchase consideration	**108**
Cash and cash equivalents in operations acquired	(4)
Cash outflow on acquisition	**104**

Sparwelt

On 19 September 2014, Mediengruppe RTL Deutschland acquired 100 per cent interest in Econa Shopping GmbH, renamed SPARWELT GmbH ("Sparwelt") after acquisition, the leading operator of online couponing portals in Germany for €27.5 million on a cash-and-debt free basis adjusted for normalised working capital. The online couponing business is a growing and large B2C market with country-wide and potentially international reach and synergies with *Gutscheine.de*, an existing Mediengruppe RTL Deutschland business. The transaction and the gain of control were subject to the approval of the German Federal Cartel Office, which was obtained on 29 October 2014. The transaction qualified as a business combination since RTL Group gained control over Sparwelt.

The initial purchase price has been adjusted to €30 million on the basis of the level of working capital at 30 September 2014. In addition, the purchase agreement includes an earn-out mechanism based on a variable performance component and up to a maximum and undiscounted amount of €27.5 million. The related amount has been recognised as a financial liability for €6 million at 31 December 2014.

The fair value of the brand names and internet domain names has been measured for €1 million and €1.5 million, respectively. A corresponding deferred tax liability has been recognised for €0.8 million. As a result, a goodwill of €31 million has been recognised. The latter is attributable mainly to the skills and talent of Sparwelt workforce and the synergies to Mediengruppe RTL Deutschland's core business. The goodwill will not be tax deductible.

The transaction-related costs are insignificant.

	Fair value at date of gain of control €m
Cash and cash equivalents	1
Other intangible assets	3
Accounts receivable and other financial assets	5
Accounts payable	(3)
Net deferred tax liabilities	(1)
Net assets acquired	**5**
Goodwill	31
Total purchase consideration	**36**
Contingent consideration	(6)
Cash and cash equivalents in operations acquired	(1)
Cash outflow on acquisition	**29**

BeProcurement

On 29 October 2014, the Board of RTL Group SA approved the disposal of 90 per cent, out of its 100 per cent holding, in BeProcurement SA ("BeProcurement"), previously named FremantleMedia SA, to Bertelsmann Luxembourg Sàrl. This transaction is part of a project initiated by the Bertelsmann Group to bundle its IT procurement activities in a single company based in Luxembourg. The sale proceeds amounted to €12 million corresponding to the share of the net assets transferred (€12 million of cash and cash equivalents). BeProcurement has tax losses carried forward amounting to €1.1 billion at 30 September 2014, for which no deferred tax assets had been recognised in the past by RTL Group following a consistent application of IAS 12. A 25-year shareholders agreement has been concluded between Bertelsmann and RTL Group. The shareholders' agreement stipulates that 50 per cent of the aggregate amount of corporate and trade tax that, in the absence of existing tax losses carried forward by BeProcurement, if any, would have otherwise been owed by the company, will be paid to RTL Group SA as a preferred dividend with a minimum amount of €1 million per year. The minimum dividend of €1 million will be payable from 2016 onwards. The 10 per cent interest held by RTL Group SA is not transferable to a third party. RTL Group SA may terminate this agreement at certain conditions and this would result in the unused tax losses carried forward being transferred back to RTL Group. The 10 per cent interest retained by RTL Group in BeProcurement has been accounted for as an available-for-sale asset. The minimum dividend has been accounted for as a financial asset and represents the guaranteed part of future dividends. The related discounted amount of €17 million is reported in "Other operating income".

Style Haul

On 1 December 2014, RTL Group gained the full control of Style Haul Inc through RTL US Holding, Inc (collectively called "Style Haul"). From that date, RTL Group holds 97 per cent (94 per cent on a fully diluted per share basis) in Style Haul. Style Haul is the leading multi-channel network on Youtube for fashion, beauty and lifestyle. With this agreement, RTL Group further accelerates its rapidly growing presence in the online video space and its position in North America – the largest and most innovative media market worldwide. The transaction qualified as a business combination.

Before 1 December 2014, Style Haul was accounted for using the equity method. The Group has recognised a gain of €17 million as a result of measuring at fair value its 26 per cent equity interest previously held in Style Haul. The fair value was measured by reference to the purchase price of the 70 per cent newly acquired. The related gain is reported in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

All outstanding convertible notes were converted at the date of the business combination providing RTL Group with one additional per cent in the share capital of Style Haul. RTL Group has acquired all the shares held by the non-employee shareholders.

The employees benefited from share-based arrangements before the business combination. All unvested stock options were accelerated. The employees agreed to sell 70 per cent of their shares as well as their stock options. Some unvested stock options were accelerated while a portion was replaced by new stock options representing 3 per cent of the capital of RTL US Holding, Inc on a fully diluted basis.

The fair value of all accelerated options has been measured by reference to the purchase price and recognised as a post-business combination for €6 million in "Employee benefits expenses" ("Share options granted to employee") reported in "Other operating expenses". The related amount has been recognised as a financial liability as the transaction qualifies in substance as a cash settled share-based payment.

The purchase consideration, partly contributed to Style Haul, amounts to €115 million, net of cash acquired and contingent on a cash-and-debt free position adjusted for normalised working capital. RTL Group has provisionally recognised identifiable intangible assets for a fair value of €3 million and a deferred tax asset of €12 million related to both tax losses carried forward and stock option plans since Style Haul belongs to the US tax group of RTL Group. As a result, a provisional goodwill of €105 million has been recognised. The latter is attributable mainly to the skills and talent of Style Haul's workforce. It will not be tax deductible.

The parties have also agreed on earn-out mechanisms that might increase the initial consideration by a maximum of USD 45 million, subject to the future performance of the business. The related liability has been initially recognised for €8 million and remains unchanged at 31 December 2014.

RTL Group granted to the employee sellers put options exercisable in the first half of 2017 based on the fair value at the date of exercise of these options; the fair value of Style Haul shall not exceed USD 500 million on a 100 per cent basis. The put options related to outstanding non-controlling shares have been recognised as a deduction in the Group's equity with a corresponding liability of €5 million representing the present value of the redemption amount. Both financial liabilities (i.e. the put option liability and the cash settled share-based arrangement liability) are subsequently measured at fair value through profit or loss. This is a Level 3 fair value measurement. If the put options are not exercised during the exercise window, RTL Group has the right to acquire the remaining shares.

The acquisition-related costs of €1.4 million mainly comprise legal and due diligence costs and are reported in "Other operating expenses".

	Fair value at date of gain of control €m
Cash and cash equivalents	1
Other intangible assets	3
Net deferred tax assets	12
Accounts receivable and other financial assets	5
Accounts payable	(5)
Loans	(4)
Non-controlling interests	(1)
Net assets acquired	**11**
Goodwill	105
Total purchase consideration	**116**
Fair value of previously held equity interests	(21)
Net assets contributed	(2)
Contingent consideration	(8)
Cash and cash equivalents in operations acquired	(1)
Cash outflow on acquisition	**84**

Radical Media

On 30 December 2014, RTL Group lost control over @radical.media LLC and its 100 per cent affiliates ("Radical Media") and derecognised all related assets and liabilities. The existing put and call options have been terminated. RTL Group continues to hold 34.5 per cent of the outstanding membership interests of the company and exercises a significant influence over Radical Media. Radical Media is accounted for using the equity method as from 31 December 2014. The purchaser benefits from a call option effective at the greater of a floor or a multiple of a variable performance component. This call option is valid for 18 months following the closing of the change of control. RTL Group has the right to sell its stake from 30 December 2019 at the greater of a floor or a multiple of a variable performance component. These options have been valued for € nil million at 31 December 2014.

The fair value of the investment in associate has been measured by reference to the strike price of the put option. The sale proceeds received, net of cash disposed of, amounts to below €1 million. The impact of the measurement and the capital loss is reported for €(18) million in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

A goodwill impairment loss of €9 million was recorded at 30 June 2014.

	2014 €m
Fair value of consideration received	17
Net assets disposed of	(35)
Net loss disposal	**(18)**

	2014 €m
Cash and cash equivalents	(4)
Goodwill	(29)
Property, plant and equipment	(2)
Other inventories	(1)
Accounts receivable and other financial assets	(43)
Accounts payable	38
Loans	5
Other comprehensive income	1
Net assets disposed of	**(35)**
Fair value of consideration received	5
Termination of existing put and call options	5
Fair value of residual interests	7
Total disposal proceeds	**17**
Less:	
Termination of existing put and call options	(5)
Fair value of residual interests	(7)
Cash and cash equivalents	(4)
Cash inflow on disposal	**1**

Other acquisitions and disposals, increases in interest held in subsidiaries

- On 16 September 2014, Groupe M6 acquired 80 per cent of Printic SAS ("Printic"). The company develops smartphone applications that enable users to order prints of photos from a mobile device. The acquisition strengthens the position of Monalbumphoto SAS. The transaction qualifies as a business combination since Groupe M6 gained the control of Printic. The purchase consideration, net of cash acquired, amounted to below €1 million. The transaction resulted in the recognition of a provisional goodwill of €0.9 million. The remaining 20 per cent are subject to put and call options. The put option in the hand of the sellers has been recognised as a deduction to the Group's equity with a corresponding financial liability for the present value of the redemption amount of €2.2 million at 31 December 2014. The financial liability will be re-measured at fair value through profit or loss. This is a Level 3 fair value measurement;
- The contingent consideration related to the earn-out arrangement of Smart Shopping and Saving GmbH (formerly Gutscheine.de HSS GmbH), acquired on 2 January 2012, has been re-measured for €0.5 million in 2014 through "Other operating income" and subsequently paid for €0.7 million.

2013 (updated at 31 December 2014)

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 accelerated 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 had 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, had been recognised for €2 million and have been re-measured to €1.1 million at 31 December 2014. The related impact is reported in "Other operating income". An amount of below €0.5 million related to the earn-out mechanism was paid in 2014. The goodwill arising from the acquisition was not tax deductible.

The transaction-related costs amounting to €1.5 million, mainly consisting of legal fees and due diligence costs, were reported in "Other operating expenses".

	Fair value at date of gain of control €m
Cash and cash equivalents	7
Other intangible assets	3
Accounts receivable and other financial assets	5
Accounts payable	(2)
Deferred tax liabilities	(1)
Non-controlling interests	(4)
Net assets acquired	**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.

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, a contingent consideration had been recognised for €6 million and has been re-measured to €3 million at 31 December 2014. The related impact is reported in "Financial results other than interest". Goodwill in connection with this transaction was not tax deductible.

The acquisition-related costs of €0.2 million, mainly consisting of legal fees and due diligence costs, were reported in "Other operating expenses".

	Fair value at date of gain of control €m
Cash and cash equivalents	1
Accounts receivable and other financial assets	4
Accounts payable	(4)
Net assets acquired	**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. With the acquisition of Miso Film – 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 and resulted in the recognition of a goodwill of €7 million. The purchase accounting did not lead to recognition of additional identifiable assets and liabilities. The goodwill represents the business's growth and synergy potential, and the expertise of Miso Film's workforce. 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. 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 was not tax deductible.

The acquisition-related costs of €0.4 million, mainly comprising legal fees and due diligence costs, were reported in "Other operating expenses".

	Fair value at date of gain of control €m
Property, plant and equipment	1
Net deferred tax assets	1
Current programme rights	16
Accounts receivable and other financial assets	3
Accounts payable	(20)
Loans	(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 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 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 purchase accounting, finalised in 2014, did not lead to recognition of additional identifiable assets and liabilities. As a result, the transaction resulted in the recognition of a goodwill of €1.5 million. An amount of below €0.5 million was paid in 2014;
- The full amount of the earn-out mechanism granted to the sellers of Original FMM LLC (Original Productions) on 20 February 2009 had been paid by RTL Group in January 2013 for an amount of €38 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 put options corresponding to 9.7 per cent of the share capital of Ludia have been paid in 2014 by RTL Group for €5.3 million. The liability related to the put options was re-measured for €1 million in 2014 prior to its settlement. The related impact is reported in "Financial results other than interest".

5. 3. Assets and liabilities acquired

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

	2014 €m	2013 €m
Purchase consideration:		
– Cash paid	**257**	86
– Payments on prior years' acquisitions	**(8)**	(44)
– Fair value of previously held equity interests	**21**	–
– Net assets contributed	**2**	–
– Contingent consideration	**20**	9
– Deferred consideration	**1**	–
Total purchase consideration	**293**	51
Less:		
Fair value of net assets acquired	**(32)**	(7)
Goodwill (see note 5.2.)	**261**	44

5. 4. Cash outflow on acquisitions

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

	2014 Fair value €m	2013 Fair value €m
Cash and cash equivalents	**11**	9
Other intangible assets	**6**	3
Property, plant and equipment	**4**	1
Net deferred tax assets	**21**	–
Current programme rights	**10**	16
Other inventories	**3**	–
Accounts receivable and other financial assets	**50**	12
Accounts payable	**(54)**	(28)
Loans	**(8)**	(2)
Net deferred tax liabilities	**(1)**	–
Non-controlling interests	**(10)**	(4)
Net assets acquired	**32**	7
Goodwill	**261**	44
Total purchase consideration	**293**	51
Less:		
Fair value of previously held equity interests	**(21)**	–
Net assets contributed	**(2)**	–
Contingent consideration	**(20)**	(9)
Deferred consideration	**(1)**	–
Payments on prior years' acquisitions	**8**	44
Cash and cash equivalents in operations acquired	**(11)**	(9)
Cash outflow on acquisitions (see note 6.2.)	**246**	77

6. DETAILS ON CONSOLIDATED INCOME STATEMENT

6. 1. Revenue

	2014 €m	%	2013 €m	%
Spot advertising sales	**3,111**	**54**	3,083	53
Bartering advertising revenue	**55**	**1**	58	1
Other advertising sales	**266**	**4**	221	4
Advertising sales, net of agency commissions	**3,432**	**59**	3,362	58
Films, programmes and other rights – sold or licensed	**1,688**	**29**	1,698	29
Sales of merchandise and consumer services	**418**	**7**	504	9
Professional services	**270**	**5**	260	4
	5,808	**100**	**5,824**	100

6. 2. Other operating expenses

	2014 €m	2013 €m
Employee benefits expenses	**977**	952
Intellectual property expenses	**317**	329
Expenses related to live programmes	**287**	270
Consumption of other inventories	**201**	250
Production subcontracting expenses	**182**	145
Transmission expenses including leased satellite capacity	**121**	117
Marketing and promotion expenses	**115**	125
Rentals and other operating lease expenses	**84**	84
Operating taxes	**76**	70
Audit and consulting fees[1]	**58**	51
Repairs and maintenance	**55**	58
Marketing and promotion expenses including barters	**48**	53
Distribution expenses	**26**	33
Commissions on sales	**13**	13
Administration and sundry expenses	**121**	113
	2,681	2,663

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

	2014 €m	2013 €m
Audit services pursuant to legislation	**2.7**	2.7
Audit-related services	**0.5**	0.8
Services relating to taxation	**–**	0.1
Other services	**0.7**	0.5
	3.9	4.1

6. 2. 1. Employee benefits expenses

	2014 €m	2013 €m
Wages and salaries	**731**	725
Termination benefits	**23**	13
Social security costs	**155**	156
Share options granted to employees	**12**	5
Pension costs	**17**	12
Other employee expenses	**39**	41
	977	952
Of which restructuring costs	**4**	5

The amounts set out above exclude personnel costs of €211 million (2013: €210 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 2014 to 2016. 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 of the LTIP have been approved by the Nomination and Compensation Committee of RTL Group who gave authority to the Executive Committee to approve the participation of the other Executives in the LTIP. The performance targets are based on financial metrics as RTL Group's Value Added ("RVA"), other RVA, EBITA, EBITDA and, for FremantleMedia, also on non-financial metrics like development and commercial success of new formats.

The RVA is the difference between net operating profit after tax (NOPAT), and cost of capital.

The NOPAT corresponds to the sum of (i) EBITA of fully consolidated entities minus amortisation of fair value adjustments on acquisitions of subsidiaries and joint ventures, adjusted for a uniform tax rate of 33 per cent, and (ii) share of result of investments accounted for using the equity method minus fair value adjustments on acquisitions of subsidiaries.

The cost of capital is the product of the weighted average cost of capital (a uniform 8 per cent after tax) and the quarterly average invested capital (operating assets less non-interest-bearing operating liabilities as reported in note 4.1.). The present value of operating leases is also taken into account when calculating the invested capital.

As at 31 December 2014, the liability related to this LTIP has been assessed on the basis of the achievement of performance targets and amounts to € 11.5 million (2013: €33 million). Groupe M6 operates a specific long-term incentive plan based on free shares plans (see note 7.15.7.).

Pension costs relate to defined contributions for € 10 million (2013: € 10 million) and defined benefit plans for €7 million (2013: €2 million) (see note 7.14.).

The average number of employees for undertakings held by the Group is set out below:

	2014	2013
Employees of fully consolidated undertakings	**9,804**	9,625
	9,804	9,625

6. 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:

2014

Subsidiaries (see note 5.2.)

- Loss on partial disposal of @radical.media LLC and its 100 per cent affiliates: € (18) million
- Gain on re-measurement of fair value of the Group's existing 26 per cent interest in Style Haul, Inc: € 17 million

Associates (see note 7.4.1.)

- Loss on dilution in Atresmedia: € (5)million
- Gain on disposal of Asia Sports Ventures Pte. Ltd: €3 million
- Gain on liquidation of Contact Vlaanderen NV: € 1 million

Joint ventures (see note 7.4.2.)

- Loss on disposal of BIG RTL Broadcast Private Limited: € (1) million

Assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale (see note 7.10.)

- Gain on disposal of Mistergooddeal SA: € 1 million
- Gain on disposal of AVE I Vermögensverwaltungsgesellschaft mbH & Co KG and its parent company, AVE VI Vermögensverwaltungsgesellschaft mbH & Co. KG: €3 million

2013

Associates (see note 7.4.1.)

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

6. 4. Net interest income / (expense)

	2014 €m	2013 €m
Interest income on loans and accounts receivable	10	8
Interest income	**10**	**8**
Interest expense on financial liabilities	(24)	(22)
Tax-related interest expense	(1)	(2)
Interest on defined benefit obligations[1]	(4)	(3)
Interest expense on other employee benefit liabilities	(4)	(3)
Interest expense	**(33)**	**(30)**
Net interest expense	**(23)**	**(22)**

(1) Of which (see note 7.14.):
- Interest income on plan assets: €4 million (2013: €4 million)
- Unwind of discount on defined benefit obligations: €(8) million (2013: €(7) million)

"Interest income on loans and accounts receivable" includes an amount of € nil million (2013: €0.3 million) in respect of deposits to Bertelsmann SE & Co. KGaA (see note 9.1.).

"Interest expense on financial liabilities" includes an amount of €16 million (2013: €12 million) in respect of the loans from Bertelsmann SE & Co. KGaA (see note 9.1.).

6. 5. Financial results other than interest

	2014 €m	2013 €m
Net gain / (loss) on disposal and impairment on available-for-sale investments (see note 7.5.)	(1)	43
Cash flow hedges ineffectiveness (see note 3.)	(4)	–
Net gain on other financial instruments at fair value through profit or loss (see note 7.5.)	–	21
Other financial results	1	6
	(4)	70

6. 6. Income tax expense

	2014 €m	2013 €m
Current tax expense	(281)	(306)
Deferred tax expense	(7)	4
	(288)	(302)

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

	2014 €m	%	2013 €m	%
Profit before taxes	1,022		1,250	
Income tax rate applicable in Luxembourg		29.22		29.22
Tax calculated at domestic tax rate applicable to profits in Luxembourg	299		365	
Effects of tax rate in foreign jurisdictions and German trade tax	55		52	
Tax calculated at domestic tax rate applicable to profits in the respective countries	354	34.60	417	33.40
Non deductible expenses	44		38	
Tax exempt revenue	(60)		(132)	
Commission received in relation to the Compensation Agreement (see note 9.1.)	(52)		(52)	
Tax incentives not recognised in the income statement	(10)		(9)	
Effect of tax losses for which no deferred tax assets are recognised	18		49	
Tax expense before adjustments on prior years	294	28.80	311	24.90
Current tax adjustments on prior years	(1)		5	
Deferred tax adjustments on prior years	(5)		(14)	
Income tax expense	**288**	**28.20**	302	24.20

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 (2013: €20 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 €25 million (2013: €26 million).

In 2014, non deductible expenses include exceptional contribution on dividends, withholding taxes for €7 million (2013: €12 million) and impairment of goodwill for €18 million.

Tax exempt revenue mainly relates in 2014 to an impairment charge, recorded in the statutory accounts of the Company towards a fully consolidated entity, resulting in a tax exempt revenue of €22 million, to capital gains and fair value changes for €16 million and to the share of results of investments accounted for using the equity method for €13 million.

Tax exempt revenue mainly related 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, the reversal of the impairment on Atresmedia for €22 million (see note 7.4.), to capital gains and fair value changes for €8 million and to the share of results of investments accounted for using the equity method for €10 million.

Tax incentives not recognised in the income statement relate to a permanent difference generated by the amortisation of tax goodwill in Germany.

In 2013, the tax adjustments on prior years related solely to changes in the amortisation policy of certain film rights following the finalisation of a tax audit in Germany.

6. 7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €653 million (2013: €870 million) and a weighted average number of ordinary shares outstanding during the year of 153,584,102 (2013: 153,618,853), cal-

	2014	2013
Profit attributable to RTL Group shareholders (in € million)	**653**	870
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January (note 7.15.1.)	**154,787,554**	154,787,554
Effect of treasury shares held (note 7.15.2.)	**(1,168,701)**	(1,168,701)
Effect of liquidity programme (note 7.15.2.)	**(34,751)**	–
Weighted average number of ordinary shares	**153,584,102**	153,618,853
Basic earnings per share (in €)	**4.25**	5.67
Diluted earnings per share (in €)	**4.25**	5.67

7. DETAILS ON CONSOLIDATED STATEMENT OF FINANCIAL POSITION

7. 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 2013	**642**	**994**	**47**	**1,683**	**4,993**	**402**
Effect of movements in foreign exchange	(15)	(5)	–	(20)	(15)	(3)
Additions	3	41	47	91	–	32
Disposals	(2)	(20)	(1)	(23)	–	(10)
Subsidiaries acquired[1]	–	–	–	–	44	3
Transfer to assets classified as held for sale[2]	–	–	–	–	–	(16)
Transfers and other changes	52	53	(60)	45	(3)	6
Balance at 31 December 2013	**680**	**1,063**	**33**	**1,776**	**5,019**	**414**
Effect of movements in foreign exchange	36	12	–	48	19	–
Additions	2	52	41	95	–	26
Disposals	–	(78)	–	(78)	–	(17)
Subsidiaries acquired[1]	–	–	–	–	261	6
Subsidiaries disposed of[1]	–	–	–	–	(29)	–
Transfers and other changes	25	33	(51)	7	(9)	(7)
Balance at 31 December 2014	**743**	**1,082**	**23**	**1,848**	**5,261**	**422**
Amortisation and impairment losses						
Balance at 1 January 2013	**(621)**	**(939)**	**(4)**	**(1,564)**	**(2,315)**	**(200)**
Effects of movements in foreign exchange	15	5	–	20	–	1
Amortisation charge for the year	(14)	(80)	–	(94)	–	(28)
Impairment losses recognised for the year	(1)	–	–	(1)	–	(1)
Disposals	1	19	–	20	–	9
Transfer to assets classified as held for sale[2]	–	–	–	–	–	9
Transfers and other changes	(25)	(22)	(1)	(48)	3	(6)
Balance at 31 December 2013	**(645)**	**(1,017)**	**(5)**	**(1,667)**	**(2,312)**	**(216)**
Effects of movements in foreign exchange	(35)	(12)	–	(47)	(1)	–
Amortisation charge for the year	(36)	(81)	–	(117)	–	(25)
Impairment losses recognised for the year	–	(1)	–	(1)	(88)	(11)
Disposals	–	77	–	77	–	15
Transfers and other changes	–	–	–	–	10	2
Balance at 31 December 2014	**(716)**	**(1,034)**	**(5)**	**(1,755)**	**(2,391)**	**(235)**
Carrying amount:						
At 31 December 2013	**35**	**46**	**28**	**109**	**2,707**	**198**
At 31 December 2014	**27**	**48**	**18**	**93**	**2,870**	**187**

(1) See note 5.2.
(2) See note 7.10.

Other intangible assets include mainly brands for an amount of € 122 million (2013: € 123 million), primarily related to the Groupe M6.

Impairment losses have been recognised for € 11 million in 2014 regarding intangible assets of the Hungarian language channels (see note 7.2.) and recognised at fair value at the time of the gain of control by RTL Group (2013: € nil million, Mistergooddeal disposal group excluded, see note 7.10.).

The M6 brand is considered to have an indefinite useful life and was recognised for an amount of € 120 million. At 31 December 2014, 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's strategy to maintain and strengthen the trademark "M6". Based on the analysis of these factors, management have determined and confirmed at 31 December 2014 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.

7. 2. Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") on the basis of the business units (see note 4.) and at the level at which cash flows are generated. Ludia, part of the business unit FremantleMedia, conduct specific and separate businesses that generate independent cash flows and therefore qualify as separate cash generating units. Radical Media is accounted for using the equity method at 31 December 2014 since the Group lost the control (see note 5.2.). The goodwill related to Radical Media was impaired by €9 million at 30 June 2014; the impairment remains unchanged for the 12-month-period.

All business units and cash-generating units mainly operate in one country, except BroadbandTV (see note 5.2.), FremantleMedia, Ludia, SpotXchange, Style Haul and UFA Sports, which are multi-territory/worldwide operations. Goodwill is allocated by cash-generating unit as follows:

	31 December 2014 €m	31 December 2013 €m
Mediengruppe RTL Deutschland	**914**	883
Groupe M6	**429**	421
FremantleMedia	**1,001**	971
Ludia	**31**	31
Radical Media	**–**	35
RTL Nederland	**151**	151
RTL Belgium	**32**	32
RTL Radio (France)	**65**	65
Other segments		
– Style Haul	**105**	–
– SpotXchange	**103**	–
– Hungarian language cable channels and M-RTL	**–**	78
– BroadbandTV	**22**	21
– German radio	**17**	17
– UFA Sports	**–**	2
Total goodwill on cash-generating units	**2,870**	2,707

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 CGU has been determined on the basis of the higher of its value in use and its fair value less costs of disposal:

- 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 of disposal 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 Group supports its fair values less costs of disposal 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 of disposal" 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 of disposal" model is calculated based on a market approach and most of the parameters used are derived from market sources. The latter approach was not used by the Group in determining the recoverable amount of cash-generating units at 31 December 2014.

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.

	2014 Perpetual growth rate % a year	2014 Discount rate %	2013 Perpetual growth rate % a year	2013 Discount rate %
Cash-generating units				
Mediengruppe RTL Deutschland	**2.0**	**7.6**	2.0	7.6
Groupe M6	**2.5**	**7.6**	2.5	7.6
FremantleMedia	**2.5**	**7.7**	3.0	7.7
Ludia	**2.0**	**12.5**	2.0	12.1
Radical Media	**–**	**–**	2.0	8.0
RTL Nederland	**2.0**	**7.6**	2.0	7.6
RTL Belgium	**2.0**	**7.6**	2.0	7.6
RTL Radio (France)	**2.0**	**6.7**	2.0	6.7
Other segments				
– Style Haul	**2.0**	**13.9**	–	–
– SpotXchange	**2.0**	**10.9**	–	–
– Hungarian language cable channels and M-RTL	**2.0**	**12.8**	2.0	12.9
– BroadbandTV	**2.0**	**13.9**	2.0	13.7
– German radio	**2.0**	**6.7**	2.0	6.7
– UFA Sports	**–**	**7.9**	2.5	7.7

Hungarian language cable channels and M-RTL

On 2 June 2014, a new advertising tax was submitted to the Hungarian Parliament and was subsequently adopted via an accelerated procedure on 11 June 2014. On 4 July 2014, the Hungarian Parliament adopted several amendments to the tax. The new revised tax came into force on 15 August 2014 with the first payments, in two equal instalments, made on 20 August and 20 November 2014 respectively.

The tax is steeply progressive, with rates between nil and 40 per cent, and is calculated, in general, on the net revenues derived from advertising plus the margins which the sales houses affiliated to the taxpayers charge to their customers. The tax base is calculated by aggregating the tax bases of affiliated undertakings. As a result, entities belonging to a group of companies are taxed at higher tax rates than independent legal entities.

RTL Group's management have started to pursue all options to protect the Hungarian assets against the effects of this new regulation. Nevertheless, in accordance with IFRS guidance, the Group has assumed that the impact of this new advertising tax on RTL Group's Hungarian business continues throughout the planning period. RTL Group has also assumed that the Hungarian business is a going concern.

The recoverable amount of the Hungarian language cable channels and M-RTL was determined at a non-significant amount at 30 June 2014 on the basis of the value in use.

On 18 November 2014, the Hungarian government adopted an amendment by which the highest applicable tax rate was increased from 40 to 50 per cent. This amendment entered in force on 1 January 2015.

RTL Group's management maintained the following impairment loss already recognised at 30 June 2014 in its consolidated annual report:

- the full impairment of the goodwill for an amount of €77 million;
- additional impairment losses on non-current intangible assets for €11 million, of which €9 million related to assets identified in connection with the initial purchase price allocations.

In the second half of the year, a valuation allowance on current programme rights has been additionally recorded for an amount of €7 million at 31 December 2014.

The carrying amount of the cash-generating unit is €55 million at 31 December 2014. The remaining non-current assets, mainly composed of property plant and equipment and software licenses and amounting to €10 million, have not been impaired as their fair value less costs of disposal was considered as being above or at least equal to their carrying value. The other current assets (€77 million), mainly composed of inventories and financial assets, have been valued in accordance with the relevant applicable standard and accordingly no additional impairment was required.

Other cash generating units

Management consider that, at 31 December 2014, no reasonably possible change in the market shares, EBITA margin and cash conversion rates would reduce the headroom between the recoverable amounts and the carrying values of the cash-generating units, FremantleMedia excepted.

Following continuing pressure on the production and distribution business, due to reduced volumes and pricing, management have updated the business plan to take into account the latest available information, primarily on the US. FremantleMedia will maintain strength of its show franchises and develop new formats organically while diversifying its portfolio in new genres and maximising its worldwide network. FremantleMedia is thus expecting to slightly increase its EBITA margin compared to the actual. Based on this revised 10 year plan, the headroom that existed at the level of FremantleMedia has been reduced to €124 million (31 December 2013: €190 million). The value in use on the basis of a discounted cash flow model was retained for determining the recoverable amount.

For FremantleMedia, if, for 2015 and each of the following years, the estimated revenue growth and the EBITA margin had been reduced by 1 per cent and the discount rate had been increased by 1 per cent, the sum of these corresponding effects would have resulted in an impairment loss against goodwill of €390 million (€414 million at 31 December 2013).

When taken individually, the following changes in the key assumptions would reduce the recoverable amount of the CGU FremantleMedia as follows:

	31 December 2014 €m	31 December 2013 €m
Variation in:		
Revenue growth by (1) per cent on each period	**(146)**	(184)
EBITA margin by (1) per cent on each period	**(163)**	(194)
Discount rate by 1 point	**(205)**	(226)

2013

No impairment loss on goodwill was recorded in 2013.

7. 3. Property, plant and equipment

	Land, buildings and improvements €m	Technical equipment €m	Other €m	Total €m
Cost				
Balance at 1 January 2013	**373**	**299**	**191**	**863**
Effect of movements in foreign exchange	(1)	(3)	(2)	(6)
Additions	5	19	34	58
Disposals[1]	(2)	(4)	(10)	(16)
Subsidiaries acquired[2]	–	1	–	1
Transfer to assets classified as held for sale[3]	(3)	–	(1)	(4)
Transfers and other changes	7	2	2	11
Balance at 31 December 2013	**379**	**314**	**214**	**907**
Effect of movements in foreign exchange	1	–	2	3
Additions	2	14	56	72
Disposals[1]	(55)	(3)	(13)	(71)
Subsidiaries acquired[2]	–	–	4	4
Transfer to assets classified as held for sale[3]	(1)	–	(1)	(2)
Transfers and other changes	7	11	(25)	(7)
Balance at 31 December 2014	**333**	**336**	**237**	**906**
Depreciation and impairment losses				
Balance at 1 January 2013	**(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[1]	–	4	8	12
Transfer to assets classified as held for sale[3]	2	–	1	3
Transfers and other changes	(6)	3	(8)	(11)
Balance at 31 December 2013	**(184)**	**(244)**	**(148)**	**(576)**
Effect of movements in foreign exchange	(1)	–	(1)	(2)
Depreciation charge for the year	(15)	(28)	(20)	(63)
Disposals[1]	50	3	12	65
Transfers and other changes	4	(2)	5	7
Balance at 31 December 2014	**(146)**	**(271)**	**(152)**	**(569)**
Carrying amount:				
At 31 December 2013	**195**	**70**	**66**	**331**
At 31 December 2014	**187**	**65**	**85**	**337**

(1) Following the receipt of the final administrative approval regarding additional properties contributed in October 2014 to Group companies, RTL Group has recognised a capital gain of €32 million following the cease of control according to IFRS criteria ("Other operating income"; €19 million in 2013)
(2) See note 5.2. and 5.3.
(3) See note 7.10.

Net tangible assets held under finance leases at 31 December 2014 amount to €3 million (2013: €1 million).

7. 4.

Investments accounted for using the equity method

The amounts recognised in the balance sheet are as follows:

	2014 €m	2013 €m
Associates	**353**	336
Joint ventures	**28**	23
Balance at 31 December	**381**	359

The amounts recognised in the income statement are as follows:

	2014 €m	2013 €m
Associates	**31**	34
Impairment of investments in associates	**4**	68
Joint ventures	**12**	15
	47	117

7. 4. 1.

Investments in associates

Set out below are the associates of the Group as at 31 December 2014, which in the opinion of the management, are material to the Group.

Name of entity	Country of incorporation	Principal activity	% voting power held by the Group 2014	2013	Measurement method
Atresmedia[1,2]	Spain	Broadcasting TV	**19.3**	20.6	Equity
RTL 2 Fernsehen GmbH & Co. KG[3]	Germany	Broadcasting TV	**35.9**	35.9	Equity

(1) Although the Group holds less than 20 per cent of the equity shares of Atresmedia, management consider that the Group exercises a significant influence in Atresmedia in view of the representation of RTL Group to the Board of Directors and other governing bodies of Atresmedia
(2) Atresmedia is listed on the Madrid Stock Exchange. Based on the published share price at 31 December 2014, the market capitalisation of 100 per cent of Atresmedia amounts to €2,628 million, i.e. € 11.64 per share (2013: €2,713 million, i.e. € 12.02 per share)
(3) RTL 2 Fernsehen GmbH & Co.KG is a private company and there is no quoted market price available for its shares

The summarised financial information for the main associates of the Group, on a 100 per cent basis and adjusted for differences in accounting policies between the Group and its associates is as follows:

	Atresmedia 2014	Atresmedia 2013	RTL 2 GmbH & Co. KG 2014	RTL 2 GmbH & Co. KG 2013
Non-current assets	**642**	648	**41**	46
Current assets	**565**	574	**93**	90
Current liabilities	**(561)**	(579)	**(44)**	(60)
Non-current liabilities	**(204)**	(298)	**(1)**	–
Net assets	**442**	345	**89**	76
Revenue	**883**	830	**332**	308
Profit before tax	**95**	48	**46**	40
Income tax expense	**(53)**	(2)	**–**	–
Profit for the year	**42**	46	**46**	40
Dividends received from associates	**9**	–	**15**	13

The reconciliation of the summarised financial information presented to the carrying amount of its interest in associates is presented as follows:

	Atresmedia 2014	Atresmedia 2013	RTL 2 GmbH & Co. KG 2014	RTL 2 GmbH & Co. KG 2013	Other immaterial associates[1] 2014	Other immaterial associates[1] 2013	Total 2014	Total 2013
Net assets at 1 January	**345**	297	**76**	73	**48**	52	**469**	422
Profit for the year	**42**	46	**46**	40	**24**	37	**112**	123
Other comprehensive income	**1**	1	**–**	–	**–**	–	**1**	1
Distribution	**(47)**	–	**(33)**	(37)	**(38)**	(40)	**(118)**	(77)
Transactions on treasury shares	**79**	–	**–**	–	**–**	–	**79**	–
Change in ownership interest and other changes	**22**	1	**–**	–	**15**	(1)	**37**	–
Net assets	**442**	345	**89**	76	**49**	48	**580**	469
Interest in associates	**85**	71	**32**	27	**17**	14	**134**	112
Goodwill	**171**	178	**24**	24	**28**	26	**223**	228
Impairment on investments in associates	**–**	–	**–**	–	**(4)**	(4)	**(4)**	(4)
Carrying value	**256**	249	**56**	51	**41**	36	**353**	336

(1) Other immaterial associates represent in aggregate less than 12 per cent of the total amount of investments in associates at 31 December 2014 (11 per cent at 31 December 2013) and none of them has a carrying amount exceeding €11 million at 31 December 2014 (€11 million at 31 December 2013)

Main changes in the Group's ownership interest in associates

The ownership of RTL Group in Atresmedia decreased from 20.5 per cent at 31 December 2013 to 19.2 per cent at 30 June 2014 following the partial novation, on 19 February 2014, of the Integration Agreement executed on 14 December 2011 with the shareholders of La Sexta and the reduction of the number of treasury shares. This transaction resulted in a dilution of RTL Group's interest generating a capital loss of €5 million reported in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

On 21 February 2014, RTL Group disposed of its ownership in Asia Sports Ventures Pte. Ltd. and recognised a capital gain of €3 million presented in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

On 15 April 2014, Contact Vlaanderen NV was liquidated generating a capital gain of €1 million presented in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

On 28 November 2014, Groupe M6 acquired 49 per cent of Stéphane Plaza Franchise SAS and its affiliate, which are active in property development. Stéphane Plaza hosts real estate reality shows. The related carrying amont is €3.6 million, including the recognition of a financial derivative instrument for €1 million.

On 19 December 2014, RTL Group increased its shareholding in Divimove GmbH to 51 per cent without gaining control. RTL Group holds a call option on the remaining share capital. The related carrying amount is €3.8 million.

On 1 December 2014, RTL Group gained full control of Style Haul Inc (see note 5.2.).

Impairment testing

Investments in associates are tested for impairment according to the same methodology applied for the impairment test of goodwill (see note 7.2.).

The perpetual growth and discount rates used are as follows:

	2014		2013	
	Perpetual growth rate % a year	**Discount rate %**	Perpetual growth rate % a year	Discount rate %
Main associates				
Atresmedia	**2.0**	**11.1**	2.0	11.2
RTL 2 Fernsehen GmbH & Co. KG	**2.0**	**7.6**	2.0	7.6

The reversal of impairment recognised in 2014 relates to an associate, which is presented as an asset held for sale since 31 December 2013 (see note 7.10.).

No impairment loss on investments in associates was recorded in 2014.

The recoverable amount of Atresmedia has been determined on the basis of the fair value less costs of disposal at 31 December 2014. Following the increase of the share price of Atresmedia on the Madrid Stock Exchange, management had consequently recorded in 2013 the full reversal of impairment of investment in associates of €72 million recognised at 31 December 2012 against the carrying amount of Atresmedia (€249 million at 31 December 2013). This is a Level 1 measurement (see note 3.3.2.).

An impairment loss of €4 million, related to RTL 9, was recognised in 2013.

RTL 2 Fernsehen GmbH & Co. KG is a party in legal proceedings with a subsidiary of RTL Group.

Contingencies

There are no contingent liabilities relating to the Group's interest in the associates.

7. 4. 2.

Investments in joint ventures

The main joint venture is as follows:

(1) RTL Disney Fernsehen GmbH & Co. KG is structured as a separate vehicle and the Group has a residual interest in the net assets
(2) RTL Disney Fernsehen GmbH & Co. KG is a private company and there is no quoted market price available for its shares

	Country of incorporation	Principal activity	% voting power held by the Group 2014	2013	Measurement method
RTL Disney Fernsehen GmbH & Co. KG[1,2]	Germany	Broadcasting TV	**50.0**	50.0	Equity

RTL Disney Fernsehen GmbH & Co. KG is set up as a joint venture with the control shared by Disney and RTL Group. Neither of the shareholders have the ability to direct the relevant activities unilaterally.

The summarised financial information for the main joint venture of the Group, on a 100 per cent basis and adjusted for differences in accounting policies between the Group and the joint venture, is as follows:

	2014 €m	2013 €m
Non-current		
Assets	**9**	4
Current		
Cash and cash equivalents	**45**	61
Other current assets	**12**	11
Total current assets	**57**	72
Current liabilities	**(38)**	(42)
Total current liabilities	**(38)**	(42)
Net assets	**28**	34
Revenue	**124**	131
Deprecation and amortisation	**(7)**	(5)
Profit before tax	**27**	34
Income tax expense	**(4)**	(6)
Profit and total comprehensive income for the year	**23**	28
Group's share of profit and total comprehensive income for the year	**11**	14
Dividends received from joint venture	**15**	15

The reconciliation of the summarised financial information presented to the carrying amount of RTL Group's interest in joint ventures is presented as follows:

	RTL Disney Fernsehen GmbH & Co. KG 2014	2013	Other immaterial joint ventures[1] 2014	2013	Total 2014	2013
Net assets at 1 January	**34**	36	**7**	8	**41**	44
Profit/(loss) for the year	**23**	28	**(1)**	2	**22**	30
Distribution	**(29)**	(30)	**(7)**	(7)	**(36)**	(37)
Capital increase	**–**	–	**8**	4	**8**	4
Other changes	**–**	–	**2**	–	**2**	–
Net assets at 31 December	**28**	34	**9**	7	**37**	41
Interest in joint ventures	**14**	17	**4**	3	**18**	20
Goodwill	**–**	–	**10**	3	**10**	3
Carrying value	**14**	17	**14**	6	**28**	23

(1) Other immaterial joint ventures represent in aggregate less than 50 per cent of the total amount of investments in joint ventures at 31 December 2014 (26 per cent at 31 December 2013) and none of them has a carrying amount exceeding €5 million at 31 December 2014 (€2 million at 31 December 2013)

Main changes in the Group's ownership interest in joint ventures
On 6 February 2014, Vice Media, Inc and RTL Group entered into a joint-venture agreement through the creation of Vice Food LLC, held at 70 and 30 per cent, respectively. The venture was set up to operate, commission, develop and produce digital content for a new online digital vertical known as 'Munchies, Food by Vice', across multiple platforms. Vice Media and FremantleMedia are also individually providing content to the venture.

On 25 April 2014, the management of TF6 announced the channel will cease its operations at the end of 2014 following a significant drop in revenue. The related carrying amount is nil at 31 December 2014.

On 12 June 2014, RTL Group disposed of all the shares held in BIG RTL Broadcast Private Limited ("BIG RTL") to the other shareholder, the Reliance Group. The capital loss related to the exit by RTL Group of the joint venture and previously held at 50 per cent, amounts to €1 million. The capital loss is presented in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree". The disposal resulted in an outflow, net of transaction costs, of €1 million.

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 air-time contribution. Jointly controlled, 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. The purchase consideration amounted to €1.5 million, net of cash acquired. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. On 26 November 2014, RTL Group increased its interest to 29.7 per cent and its right to dividends to 37.3 per cent.

Impairment testing
Investments in joint ventures are tested for impairment according to the same methodology applied for the impairment test of goodwill (see note 7.2.).

The perpetual growth and discount rates used are as follows:

	2014 Perpetual growth rate % a year	2014 Discount rate %	2013 Perpetual growth rate % a year	2013 Discount rate %
Main joint venture				
RTL Disney Fernsehen GmbH & Co KG	**2.0**	**7.6**	2.0	7.6

No impairment loss on investments in joint ventures was recorded in 2014 (2013: € nil million).

Commitments and contingencies
There are no commitments and contingent liabilities relating to the Group's interest in the joint ventures.

The transactions with the associates and joint ventures are reported in note 9.2.

7. 5. Loans and other financial assets

	2014 €m	2013 €m
Available-for-sale investments (see note 7.15.5.)	**58**	65
Surplus of the defined benefit plans (see note 7.14.)	**–**	7
Loan receivable to investments accounted for using the equity method (see notes 3.3.1. and 7.4.)	**4**	2
Loans and other financial assets	**14**	43
	76	117

RTL Group holds 19 per cent of the share capital of Beyond International Limited, a company listed on the Australian Stock Exchange. This is a Level 1 fair value measurement. In 2014, RTL Group recorded a decrease in fair value of this available-for sale investment for €7 million.

The 10 per cent interest retained by RTL Group in BeProcurement has been accounted for as an available-for-sale asset (see note 5.2.).

In March 2014, FremantleMedia Group Ltd entered into an insurance arrangement related to the defined benefit plan ("buy-in policy") leading to a deficit of the defined pension plan (see note 7.14.).

At 31 December 2013, "Loans and other financial assets" included €20 million deposited during the first half of 2012 under an escrow account by the Football Club Girondins de Bordeaux for the benefit of the city of Bordeaux. This amount bears interest of 1.6 per cent per annum until the delivery of the new stadium, which is expected in 2015. The €20 million will be released to the city of Bordeaux in return for reduced future rental payments for the use of the new stadium by Girondins de Bordeaux. The amount has been reclassified in current "Accounts receivable and other financial assets" at 31 December 2014.

Since April 2000, FremantleMedia has arrangements in relation to sale and lease back transactions (see note 8.4.). At 31 December 2014, three banks did not satisfy the required credit ratings. The related amounts are recognised for €20 million in the consolidated statement of financial position (2013: €28 million), of which €12 million with a maturity of less than one year (2013: €10 million). The restricted bank accounts are reported in other financial assets with counterpart in bank loans payable (see note 7.11.).

During 2013, Groupe M6 had disposed of all the shares held in Lions Gate 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.

An impairment loss of €1 million was recognised in 2014. No reversal of impairment loss has been recorded in 2014 (2013: €1 million).

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

	2014 €m	2013 €m
Balance at 1 January	**65**	116
Net acquisitions and disposals	**1**	(45)
Change in fair value	**(9)**	(4)
Impairment losses and other changes	**1**	(2)
Balance at 31 December	**58**	65

7. 6. Deferred tax assets and liabilities

	2014 €m	2013 €m
Deferred tax assets	**395**	389
Deferred tax liabilities	**(55)**	(58)
	340	331

	2014 €m	2013 €m
Balance at 1 January	**331**	313
Income tax expense	**(7)**	4
Income tax credited/(charged) to equity[1]	**(8)**	14
Change in consolidation scope	**20**	–
Transfers and other changes	**4**	–
Balance at 31 December	**340**	331

The Group has deductible temporary differences originating from an intra-group transaction which will mainly reverse during the next five years.

Unrecognised deferred tax assets amount to €1,327 million at 31 December 2014 (2013: €1,603 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 €4,511 million (2013: €5,522 million; see note 5.2.) to carry forward against future taxable income which relate to Luxembourg and Hungary (2013: Luxembourg and Hungary) and have no expiry date.

(1) Of which:
- €(19) million (2013: €7 million) related to effective portion of changes in fair value of cash flow hedges;
- € nil million (2013: €5 million) related to change in fair value of cash flow hedges transferred to profit or loss;
- €10 million (2013: €(1) million) related to defined benefit plan actuarial gains/(losses); and
- €1 million (2013: €3 million) related to change in fair value of available-for-sale investments

The movement in deferred tax assets and liabilities during the year is as follows:

	Balance at 1 January 2014 €m	(Charged)/credited to income statement €m	Charged to equity €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2014 €m
Deferred tax assets						
Intangible assets	118	(18)	–	–	(2)	98
Programme rights	184	3	–	–	4	191
Property, plant and equipment	2	1	–	–	(1)	2
Provisions	87	12	12	–	–	111
Tax losses (see note 6.6.)	35	(5)	–	13	–	43
Others	35	4	(18)	8	2	31
Set off of tax	(72)	–	–	–	(9)	(81)
	389	**(3)**	**(6)**	**21**	**(6)**	**395**
Deferred tax liabilities						
Intangible assets	(71)	6	–	(1)	(1)	(67)
Property, plant and equipment	(15)	1	–	–	–	(14)
Provisions	(9)	(3)	(2)	–	–	(14)
Others	(35)	(8)	–	–	2	(41)
Set off of tax	72	–	–	–	9	81
	(58)	**(4)**	**(2)**	**(1)**	**10**	**(55)**

	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	84	4	(1)	–	87
Tax losses (see note 6.6.)	39	(4)	–	–	35
Others	37	(2)	–	–	35
Set off of tax	(78)	–	–	6	(72)
	375	**9**	**(1)**	**6**	**389**
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)**

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.

7. 7. Current programme rights

	2014 Gross value €m	2014 Valuation allowance €m	2014 Net value €m	2013 Gross value €m	2013 Valuation allowance €m	2013 Net value €m
(Co-)productions	**346**	**(318)**	**28**	346	(317)	29
TV programmes	**99**	**(1)**	**98**	92	(1)	91
Other distribution and broadcasting rights	**885**	**(276)**	**609**	812	(256)	556
Sub-total programme rights	**1,330**	**(595)**	**735**	1,250	(574)	676
(Co-)productions and programmes in progress	**167**	**(6)**	**161**	167	(5)	162
Advance payments on (co-)productions, programmes and rights	**133**	**(1)**	**132**	118	(1)	117
Sub-total programme rights in progress	**300**	**(7)**	**293**	285	(6)	279
	1,630	**(602)**	**1,028**	1,535	(580)	955

Additions and reversals of valuation allowance have been recorded for €(94) million and €65 million respectively in 2014 (2013: €(95) million and €74 million, respectively).

7. 8. Accounts receivable and other financial assets

	2014 Under 1 year €m	2014 Over 1 year €m	2014 Total €m	2013 Under 1 year €m	2013 Over 1 year €m	2013 Total €m
Trade accounts receivable	**1,048**	**1**	**1,049**	1,069	3	1,072
Accounts receivable from investments accounted for using the equity method	**29**	**–**	**29**	33	–	33
Loan receivable to investments accounted for using the equity method (see notes 3.3.1., 7.4.)	**–**	**–**	**–**	2	–	2
Prepaid expenses	**82**	**–**	**82**	86	–	86
Fair value of derivative assets	**48**	**30**	**78**	16	6	22
Other current financial assets (see note 3.3.1.)	**32**	**–**	**32**	10	–	10
Account receivable from shareholder in relation with PLP Agreement (see note 9.1.)	**326**	**–**	**326**	390	–	390
Other accounts receivable	**132**	**85**	**217**	115	16	131
	1,697	**116**	**1,813**	1,721	25	1,746

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 had received, on 19 September 2013, €81 million for this financial instrument which had been designated at fair value through profit or loss. RTL Group also disposed of some non-monetary financial investments during the third quarter 2013 (see note 7.5.).

Additions and reversals of valuation allowance have been recorded for €(19) million and €18 million respectively in 2014 (2013: €(27) million and €20 million, respectively).

7. 9. Cash and cash equivalents

	2014 €m	2013 €m
Cash in hand and at bank	**260**	164
Fixed term deposits (under three months)	**189**	327
Other cash equivalents	**34**	51
Cash and cash equivalents (excluding bank overdrafts)	**483**	542

	2014 €m	2013 €m
Cash and cash equivalents (excluding bank overdrafts)	**483**	542
Bank overdrafts (see note 7.11.)	**(4)**	(2)
Cash and cash equivalents	**479**	540

"Other cash equivalents" include money market funds for €34 million (2013: €51 million).

7. 10. Assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale

At 31 March 2014, Groupe M6 disposed of 100 per cent of its interests held in Mistergoodeal SA. The sale proceeds and the capital gain amounted to €2 million and €1 million respectively.

At 30 June 2014, AVE I Vermögensverwaltungsgesellschaft mbH & Co. KG and its parent company, AVE VI Vermögensverwaltungsgesellschaft mbH & Co. KG, previously accounted for using the equity method and classified as assets held for sale at 31 December 2013, merged into RTL Radio Deutschland GmbH. The capital gain amounted to €3 million.

The investment in the Chinese associate AdSociety had been presented in 2013 as held for sale following the decision of the Group's management to dispose of this asset. AdSociety had been fully impaired as at 31 December 2012 for €(18) million. The financial liability related to the initial acquisition of AdSociety has been paid to arvato services München GmbH, a related party, for €15 million in 2014. On the basis of a binding sale agreement with a third party, the recoverable amount of this associate has been revalued at 31 December 2014 and a reversal of the previously recognised impairment has been recorded for €3.6 million accordingly.

At 31 December 2014 and 31 December 2013, the assets held for sale and the disposal groups are/were stated at fair value less costs of disposal and comprised the following assets and liabilities. There is/was no significant cumulative income or expenses included in OCI relating to the assets held for sale and disposal groups.

	2014 €m	2013 €m
Non-current assets classified as held for sale, disposal group		
Non-current assets		
Other intangible assets	**–**	7
Property, plant and equipment	**–**	1
Investment in investments accounted for using the equity method	**4**	–
Current assets		
Other inventories	**–**	11
Accounts receivable and other financial assets	**–**	13
Cash and cash equivalents	**–**	5
Impairment of disposal group[1]	**–**	(10)
	4	27
Liabilities directly associated with non-current assets classified as held for sale		
Current liabilities		
Accounts payable	**–**	23
Provisions	**–**	1
	–	24

(1) At 31 December 2013, the impairment losses amounting to €10 million had been recorded to reduce the carrying amount of Mistergooddeal reported as disposal group. These losses included impairment of non-current assets for €8 million, of which impairment of fair value adjustments on acquisitions of subsidiaries for €2 million

7. 11. Loans and bank overdrafts

	2014 €m	2013 €m
Current liabilities		
Bank overdrafts	**4**	2
Bank loans payable (see note 7.5.)	**13**	14
Loans due to investments accounted for using the equity method	**5**	4
Leasing liabilities	**1**	1
Term loan facility due to shareholder (see note 9.1.)	**547**	12
Other current loans payable	**13**	3
	583	36
Non-current liabilities		
Bank loans payable (see note 7.5.)	**9**	18
Leasing liabilities	**2**	–
Term loan facility due to shareholder (see note 9.1.)	**500**	500
Other non-current loans payable	**10**	11
	521	529

Term and debt repayment schedule:

2014	Under 1 year €m	1–5 years €m	Over 5 years €m	Total carrying amount €m
Bank overdrafts	4	–	–	**4**
Bank loans payable (see note 7.5.)	13	9	–	**22**
Loans due to investments accounted for using the equity method	5	–	–	**5**
Leasing liabilities	1	2	–	**3**
Term loan facility due to shareholder (see note 9.1.)	547	–	500	**1,047**
Other loans payable	13	4	6	**23**
	583	**15**	**506**	**1,104**

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 7.5.)	14	18	–	**32**
Loans due to investments accounted for using the equity method	4	–	–	**4**
Leasing liabilities	1	–	–	**1**
Term loan facility due to shareholder (see note 9.1.)	12	–	500	**512**
Other loans payable	3	5	6	**14**
	36	**23**	**506**	**565**

7. 12.
Accounts payable

Current accounts payable

	2014 €m	2013 €m
Trade accounts payable	**1,384**	1,361
Amounts due to associates	**3**	5
Employee benefits liability	**155**	183
Deferred income	**116**	100
Social security and other taxes payable	**69**	76
Fair value of derivative liabilities	**14**	23
Account payable to shareholder in relation with PLP agreement (see note 9.1.)	**432**	481
Other accounts payable	**280**	284
	2,453	2,513

Non-current accounts payable

	2014			2013		
	1–5 years €m	Over 5 years €m	Total €m	1–5 years €m	Over 5 years €m	Total €m
Trade accounts payable	**53**	**7**	**60**	50	6	56
Employee benefits liability	**13**	**221**	**234**	3	197	200
Deferred income	**2**	**–**	**2**	2	1	3
Fair value of derivative liabilities	**2**	**–**	**2**	14	–	14
Other accounts payable	**80**	**14**	**94**	42	16	58
	150	**242**	**392**	111	220	331

7. 13. Provisions

7. 13. 1. Provisions other than post-employment benefits

	Restructuring €m	Litigations €m	Onerous contracts €m	Other provisions €m	**Total €m**
Balance at 1 January 2014	**1**	**101**	**113**	**13**	**228**
Provisions charged/(credited) to the income statement:					
– Additions	3	18	66	7	94
– Reversals	–	(6)	(5)	(1)	(12)
Provisions used during the year	(1)	(3)	(64)	–	(68)
Other changes	–	1	1	(1)	1
Balance at 31 December 2014	**3**	**111**	**111**	**18**	**243**

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.

  RTL Group is party to legal proceedings in the normal course of its business, both as defendant and claimant. The main legal proceedings to which RTL Group is a party are disclosed below.

  Several subsidiaries of the Group are being sued by broadcaster RTL 2 Fernsehen GmbH & Co. KG and its sales house El Cartel Media GmbH & Co. KG before the regional court in Düsseldorf 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. The proceedings involve IP Deutschland GmbH, RTL Television GmbH, Vox Television GmbH, RTL Disney Fernsehen GmbH & Co. KG and N-TV Nachrichten GmbH. Broadcasters MTV Networks Germany GmbH and TeleMünchen-TV GmbH had initiated similar proceedings before the regional court in Munich. TeleMünchen-TV GmbH was unsuccessful in the first and second instance, the judgment being now final and non-appealable. MTV Networks Germany GmbH withdrew its lawsuit in September 2013.

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 judgment in January 2013 and awarded her damages in the amount of USD 9 million (compensatory damages of USD 1 million and punitive damages of USD 8 million; subject to interest at the rate of 10 per cent per annum until paid) plus attorney's fees. FMNA appealed the verdict. FMNA filed post-trial motions for (i) a new trial and (ii) judgment 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 filed an appeal on the denial of the motion for JNOV, while Brandi Cochran appealed the granting of a new trial. In December 2014, the Appellate Court remanded the parties for a new trial and allowed Brandi Cochran to introduce new arguments. The trial is expected to commence in late spring/early summer 2015.

- "Onerous contracts" mainly comprise provisions made by Mediengruppe RTL Deutschland for €67 million (2013: €63 million) and €42 million by Groupe M6 (2013: €49 million) in relation to the supply of programmes, of which sport events (2014: €16 million; 2013: €28 million). Out of €66 million of provisions recorded during the year €64 million relate to programmes such as movies and series and €2 million to sport events.

	2014 €m	2013 €m
Current	**164**	192
Non-current	**79**	36
	243	228

7. 13. 2.

Post-employment benefits

	2014 €m	2013 €m
Balance at 1 January	**135**	133
Provisions charged/(credited) to the income statement:		
– Additions[1]	**22**	22
– Reversals	**–**	–
Provisions used during the year[1]	**(27)**	(17)
Actuarial losses directly recognised in equity (see note 7.14.)	**50**	(3)
Other changes	**(7)**	–
Balance at 31 December	**173**	135

"Post-employment benefits" comprise provision for defined benefit obligations (see note 7.14.) for €170 million (2013: €132 million) and provision for other employee benefits for €3 million (2013: €3 million).

	2014 €m	2013 €m
Current	**2**	2
Non-current	**171**	133
	173	135

7. 14.

Defined benefit obligations

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 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 open 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.

(1) Of which defined contributions plan for €10 million (2013: €10 million)

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 retirees. Other risks mainly relate to minimum funding requirements when vested rights are not funding enough.

France

Groupe M6, Ediradio, ID and IP France operate retirement indemnity plans which, by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at 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 für Hörfunkbeteiligungen GmbH, UFA Film & Fernsehen, 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 (former Grundy UFA TV Produktions GmbH) has a partly funded plan.

Related obligations and plan assets are subject to demographic, legal and economic risks. The primarily risks relates to longevity risk for pension recipients.

Each employer that participates in this plan has separately identifiable liabilities.

RTL Television and IP Deutschland 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 such as longevity, inflation and increase of wages and salaries.

Luxembourg

CLT-UFA, RTL Group and Broadcasting Center Europe 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 Broadcasting Center Europe 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 such as longevity, inflation, effect of compensation increases and 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 Fremantle Group Pension Plan ("the Fremantle Plan"), which was established on 29 December 2000 and was, prior to 1 September 2005, known as the RTL Group UK Pension Plan. The Fremantle Plan provides 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 a qualifying insurance (buy-in) policy 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 the 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 Company has been managing and reducing the risks associated with the Fremantle Plan. The Company closed the Plan to all further benefit accrual with effect from 31 March 2013. From 19 March 2014, the Company decided to secure benefits by insuring the Plan's liabilities through a buy-in policy.

The main risk related to the defined benefit section is that the insurance provider (Pension Insurance Corporation) defaults on the buy-in policy and the Trustees are unable to recover the full value. This event is extremely unlikely given the regulatory capital requirements for insurance companies and other protections in place (e.g. the Financial Services Compensation Scheme).

Future pension provision for members of the Fremantle Plan still employed by the Company is now through a Group Personal Pension plan with Scottish Widows, which commenced on 1 April 2013.

Legislation regarding introducing employers' pensions 'auto-enrolment' obligations, requires contributions to be made for employees/workers who were previously not members of Company schemes or who previously had no pension entitlement. This affected 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.

Information about the nature of the present value of the defined benefit liabilities are detailed as follows:

	2014 €m	2013 €m
Final salary plans	**219**	174
Career average plans	**6**	4
Flat salary plans – plans with fixed amounts	**17**	15
Others[1]	**43**	39
Total	**285**	232

Thereof capital commitment for €112 million at 31 December 2014 (2013: €98 million). Under the Fremantle Plan Rules, in the defined benefit sections a member may opt to exchange up to around 25 per cent of their pension benefit for a cash lump sum.

Information about the plan members is as follows:

	2014	2013
Active members[2]	**2,721**	2,831
Deferred members	**1,099**	1,072
Pensioners	**305**	315
Total	**4,125**	4,218

The breakdown of the present value of the defined benefit liabilities by the plan members is as follows:

	2014 €m	2013 €m
Active members	**131**	105
Deferred members	**92**	76
Pensioners	**62**	51
Total	**285**	232

Thereof beneficiaries with vested rights for €242 million (2013: €197 million) and beneficiaries with unvested rights for €43 million (2013: €36 million).

The amounts recognised in the statement of financial position are determined as follows:

	2014 €m	2013 €m
Present value of funded obligations	**165**	139
Fair value of plan assets	**(115)**	(107)
Deficit of funded plans	**50**	32
Present value of unfunded obligations	**120**	93
Net defined benefit liability	**170**	125
Assets (see note 7.5.)	**–**	7
Provisions (see note 7.13.)	**170**	132

(1) Mainly include the defined contribution section of the Fremantle Plan
(2) Decrease mainly due to the disposal of Mistergooddeal (2013: 148 active members)

The amounts recognised in comprehensive income are determined as follows:

	2014 €m	2013 €m
Service costs:		
– Current service cost (see note 6.2.1.)	7	7
– Past service gain from plan amendments and/or curtailments (see note 6.2.1.)	–	(4)
– Settlements (see note 6.2.1.)	–	(1)
– Net interest expense (see note 6.4.)	4	3
Components of defined benefit costs recorded in profit or loss	**11**	5
Re-measurements:		
– (Gains)/losses from change in demographic assumptions	6	1
– (Gains)/losses from change in financial assumptions	37	(3)
– Experience adjustments (gains)/losses	(3)	8
– Less return on plan assets (excluding amounts included in net interest expense)	(10)	6
Components of defined benefit costs recorded in Other Comprehensive Income ("OCI")	**50**	–
Total of components of defined benefit costs	**61**	5

The movement in the present value of funded/un-funded defined benefit obligations over the year is as follows:

	2014 €m	2013 €m
Balance at 1 January	**232**	224
Current service cost	7	7
Past service credit from plan amendments and/or curtailments[1]	–	(4)
Interest cost	8	7
Re-measurements:		
– (Gains)/losses from change in demographic assumptions[2]	6	1
– (Gains)/losses from change in financial assumptions[3]	37	(3)
– Experience adjustments (gains)/losses[4]	(3)	8
Obligations extinguished on settlements (non cash effect)	–	(1)
Benefits paid by employer	(5)	(5)
Benefits paid out of the plan assets	(2)	(2)
Foreign exchange differences	5	(2)
Others	–	2
Balance at 31 December	**285**	232

The movement in the fair value of plan assets of the year is as follows:

	2014 €m	2013 €m
Balance at 1 January	**107**	101
Interest income on plan assets	4	4
Return on plan assets (excluding amounts included in net interest expense)[5]	(10)	6
Employer contributions[6]	11	2
Benefits paid out of the plan assets	(2)	(2)
Settlements	–	(1)
Foreign exchange differences	5	(3)
Balance at 31 December	**115**	107

(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 demographic losses are mainly due to the plan in Luxembourg. In connection with the increase of the expectation of life for the valued members, it has been decided to rejuvenate the population of 5 years leading to an increase of €5 million
(3) In connection with the fall in the discount rate for all zones
(4) 2014: the experience gains mainly relate to: the plan in Luxembourg for an amount of €(2) million due to a final inflation effect less than expected, the plan in Belgium for an amount of €(1) million due to salary increase less than expected
2013: 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 (see below)
(5) 2014: in connection with the insurance transaction (buy-in policy) for the Fremantle Plan leading to an accounting loss for an amount of €11 million
2013: 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 zero
(6) This is mainly due to the Fremantle Plan for an amount of €9 million regarding the initial premium paid for balancing the contribution relating to the buy-in policy

Expected contributions to post-employment benefit plans for the year ending 31 December 2015 are €4 million.

Plan assets are comprised as follows:

	Quoted marked price €m	No quoted marked price €m	Total 2014 €m	%	Quoted marked price €m	No quoted marked price €m	Total 2013 €m	%
Equity instruments (including equity funds)[1]:			**38**	**33**			53	50
Company size: large cap	**19**	**–**	**19**		27	–	27	
Company size: mid cap	**19**	**–**	**19**		26	–	26	
Debt instruments (including debt funds):			**2**	**2**			28	26
Government bonds: investments grade	**1**	**–**	**1**		19	–	19	
Corporate bonds: investments grade	**1**	**–**	**1**		9	–	9	
Qualifying insurance policies[1]	**–**	**75**	**75**	**65**	–	26	26	24
Total	**40**	**75**	**115**	**100**	81	26	107	100

(1) During the first quarter of 2014 the Trustee implemented a buy-in transaction to fully insure the liabilities of the Final Pay and Thames Sections. The risk transferred to the insurer Pension Insurance Corporation Ltd ("PIC") was from 21 March. A total insurance premium of €57 million was calculated by the PIC based on market conditions at 24 February. An initial premium has been transferred from existing plan assets (equity and debt instruments) to the PIC for an amount of €47 million. The implementation included a deferred structure whereby €9 million was paid on 2 April 2014 and a further expected €1.2 million due in 2015 once the insurance company has completed the date verification process. The buy-in policy is treated as a qualifying insurance policy. The difference between the premium paid for the buy-in policy and the fair value has been treated as a re-measurement loss on plan assets for €11 million

Other 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 to provide higher returns and inflation protection over the long term). The primarily risks inherent in the investment strategy are the risks that the market returns will not be 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 (such may also be negative).

The qualifying insurance policy relates to the Fremantle Plan and other plans for €28 million. The main risks related to the qualifying insurance policy for the Fremantle Plan is that the insurance provider defaults on the buy-in policy, and the Trustees are unable to recover the full value. This event is extremely unlikely given the regulatory capital requirements for insurance companies and other protections in place (e.g. the Financial Services Compensation Scheme).

The principal actuarial assumptions used were as follows:

	2014 % a year Germany	Other European countries	UK	2013 % a year Germany	Other European countries	UK
Discount rate	**2.10**	**1.80**	**3.70**	3.70	3.00	4.45
Long-term inflation rate	**1.50–1.80**	**2.00**	**2.10**	1.80	2.00	2.40
Future salary increases	**2.25**	**2.02 – 4.50**	**–**	2.25	2.14 – 4.50	–
Future pension increases	**1.00–1.70**	**1.00**	**3.25**	1.80	1.00	3.25

At 31 December 2014, the weighted-average duration of the defined benefit liability was 17 years (2013: 17 years).

The breakdown of the weighted-average duration by geographical areas is as follows:

	2014	2013
Germany	**18.7**	17.9
Other European countries	**11.8**	12.2
UK	**23.0**	25.0

At 31 December 2014, the sensitivity of the defined benefit liabilities to changes in the weighted principal assumptions is as follows:

	2014 Increase €m	**2014** Decrease €m	2013 Increase €m	2013 Decrease €m
Discount rate (effect of 0.5%)	**(18)**	**21**	(14)	16
Future salary growth (effect of 0.5%)	**15**	**(13)**	12	(11)
Future pension growth (effect of 0.5%)	**7**	**(6)**	6	(5)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

At 31 December 2014, expected maturity analysis of undiscounted pension (future cash flows) are as follows:

	Less than 1 year €m	1–4 years €m	Less than 10 years €m	Total
Defined benefit liability	9	38	55	**102**

7. 15. Equity

7. 15. 1. Share capital

At 31 December 2014, the subscribed capital amounts to € 192 million (2013: € 192 million) and is represented by 154,787,554 (2013: 154,787,554) fully paid-up ordinary shares, without nominal value. All shares have the same rights and entitlements.

7. 15. 2. Treasury shares

The Company's General Meeting held on 16 April 2014 has authorised the Board of Directors to acquire a total number of shares of the Company not exceeding 150,000 in addition to the own shares already held (i.e. 1,168,701 own shares) as of the date of the General Meeting. This authorisation is valid for five years and the purchase price per share is fixed at a minimum of 90 per cent and a maximum of 110 per cent of the average closing price of the RTL Group share over the last five trading days preceding the acquisition.

Following the shareholders' meeting resolution and in order to foster the liquidity and regular trading of its shares that are listed on the stock market in Brussels and Luxembourg and the stability of the price of its shares, the Company entered, on 28 April 2014, into a liquidity agreement (the "Liquidity Agreement") with Kepler Capital Markets SA (the "Liquidity Provider"). During the year ended 31 December 2014, under the Liquidity Agreement, the Liquidity Provider has:

- purchased 637,788 shares at an average price of € 76.86; and
- sold 626,832 shares at an average price of € 76.85, in the name and on behalf of the Company.

At 31 December 2014, a total of 10,956 RTL Group shares are held by the Company and € 9.6 million are in deposit with the Liquidity Provider under the terms of the Liquidity Agreement.

7. 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 investments accounted for using the equity method 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.

7. 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 2013 and 31 December 2014, the hedging reserve increased by €71 million before tax effect. This consists of:

- Increase by €54 million due to foreign exchange contracts that existed at 2013 year end and which were still hedging off-balance sheet commitments at 31 December 2014;
- Decrease by € nil million due to foreign exchange contracts that existed at 2013 year end but which were incorporated in the cost of the hedged item and subsequently consumed and released in 2014 from the hedging reserve to income statement;
- Increase by €17 million due to foreign exchange contracts entered into in 2014 hedging new off-balance sheet commitments.

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.

7. 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 7.5.) until the investment is derecognised or impaired for €22 million (2013: €30 million). The amount of OCI recycled to profit or loss and related to available-for-sale investments disposed of in 2014 is € nil million (2013: €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 investments accounted for using the equity method achieved in stages (2014: €55 million; 2013: €55 million).

7. 15. 6.

Dividends

On 16 April 2014, the Annual General Meeting of Shareholders decided on the payment of a dividend of €4.50 per share (€691 million).

On 20 August 2014, RTL Group's Board of Directors authorised the distribution of an extraordinary interim dividend of €2.00 per share. The payment on 4 September 2014 amounted to €307 million.

7. 15. 7.
Share-based payment plans

Groupe M6 Share-based payment plans

Groupe M6 has established employee share option plans open to directors and certain employees. 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					
	05–2007	827.50	–	4 years of service	7 years
	05–2008	883.83	233.06	4 years of service	7 years
Total		**1,711.33**	**233.06**		

	Grant date	Maximum number of free shares granted (in thousands)[2]	Remaining options (in thousands)	Vesting conditions
Free shares plans				
	07–2012	487.75	–	2 years of service + performance conditions
	07–2013	642.50	578.98	2 years of service + performance conditions
	04–2014	149.55	142.68	2 years of service
	10–2014	513.15	513.15	2 years of service + performance conditions
Total		**1,792.95**	**1,234.81**	

(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 27 July 2012, 26 July 2013 and 13 October 2014 are subject to Groupe M6 achieving its target growth in net consolidated result over the periods 2012, 2013 and 2014 respectively;
- The plan at 14 April 2014 is only subject to the presence in Groupe M6

Approximately 1,235,000 free shares are still exercisable at the end of the year against 1,084,000 at the beginning of the year. 663,000 free shares were granted during the year with 464,000 being exercised and 48,000 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	2014	Average exercise price € per share	2013
Options outstanding at the beginning of the year	**21**	**1,029**	21	1,554
Options exercised during the year	**15**	**(297)**	15	(81)
Options expired/cancelled during the year	**27**	**(499)**	24	(444)
Options outstanding at the end of the year	**15**	**233**	21	1,029

Share options outstanding (in thousands) at the end of the year have the following terms:

	Expiry date	Exercise price €	Number of options/shares 2014	Number of options/shares 2013
Stock options plans				
	2014	27.52	**–**	488
	2015	14.73	**233**	541
			233	1,029
Free shares plans				
	2014		**–**	468
	2015		**579**	616
	2016		**656**	–
			1,235	1,084
Total			**1,468**	2,113
Out of which exercisable			**233**	1,029

The market price of Métropole Télévision shares on the Paris Stock Exchange was €15.58 at 31 December 2014 (€16.65 at 31 December 2013).

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 2014 €m	Employee expense 2013 €m
Stock options plans								
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								
26/07/2011	15.75	N/A	N/A	1.56	6.35	2 years	**–**	1.2
22/12/2011	11.40	N/A	N/A	1.02	9.60	2 years	**–**	–
27/07/2012	11.51	N/A	N/A	0.24	9.50	2 years	**1.0**	1.8
26/07/2013	14.79	N/A	N/A	0.58	6.10	2 years	**3.2**	1.4
14/04/2014	16.05	N/A	N/A	0.53	5.60	2 years	**0.6**	–
13/10/2014	12.03	N/A	N/A	0.23	7.60	2 years	**0.4**	–
							5.2	4.4

(1) Historical volatility retained was determined on the basis of a period equal to the maturity of each plan

SpotXchange Inc Share-based payment plan

See note 5.2.

Style Haul Inc Share-based payment plan

Some employees of Style Haul Inc benefit from a share-based payment plan in RTL US Holding, Inc, its parent company; the plan qualifies as a cash-settled share-based payment transaction. This plan is fully vested as of 31 December 2014 (see note 5.2.).

Other plans

There are other insignificant share option plans within the Group.

7. 15. 8.

Non-controlling interests

The Group owns 48.4 per cent in Métropole Télévision SA, which has material non-controlling interests. Métropole Télévision SA and its subsidiary (see note 11.) represent Groupe M6, which is listed on the Paris Stock Exchanges.

The total non-controlling interests for the year is €447 million (2013: €434 million), of which €405 million (2013: €399 million), is for Groupe M6.

Non-controlling interests in other subsidiaries are individually immaterial.

The following tables summarise the restated information relating to Groupe M6, before any intra-group elimination.

Summarised financial information:

	Groupe M6 2014 €m	Groupe M6 2013 €m
Non-current assets	**500**	516
Current assets	**1,000**	958
Current liabilities	**(652)**	(661)
Non-current liabilities	**(66)**	(40)
Net assets	**782**	773
Revenue	**1,295**	1,374
Profit before tax	**210**	207
Income tax expense	**(87)**	(93)
Profit for the year	**123**	114
Other comprehensive income	**1**	(3)
Total comprehensive income	**124**	111
Total comprehensive income allocated to non-controlling interests	**64**	57
Dividends paid to non-controlling interests	**(56)**	(119)
Net cash from/(used in) operating activities	**197**	288
Net cash from/(used in) investing activities	**(111)**	(77)
Net cash from/(used in) financing activities	**(110)**	(235)
Net increase/(decrease) in cash and cash equivalents	**(24)**	(24)

Transactions on non-controlling interests

These transactions mainly relate to:

2014

Transactions on non-controlling interests without a change in control:

- CBS Studios International contributed €3 million in a number of capital increases in RTL CBS Asia Entertainment Network LLP, proportionally to its 30 per cent share;
- Groupe M6 has granted, acquired and disposed of own shares in respect to the employee share option plans (see note 7.15.7.), the forward purchase contract (see note 7.15.9.) and the liquidity programme.

The transactions on non-controlling interests with a change in control relate to Best of TV, 495 Productions, SpotXchange, Printic and Style Haul (see note 5.2.).

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 of 2013). The transaction resulted in a cash-out 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. The financial liability has been re-measured at 31 December 2014 for €2 million reported in "Other operating income";
- 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.

The transactions on non-controlling interests with a change in control relate to BroadbandTV and Miso (see note 5.2.).

7. 15. 9.

Derivatives on equity instruments

Derivative instruments relate to forward transactions by Groupe M6 on Métropole Télévision SA shares.

8. COMMITMENTS AND CONTINGENCIES

	2014 €m	2013 €m
Guarantees and endorsements given	**20**	21
Contracts for purchasing rights, (co-)productions and programmes	**2,297**	2,402
Operating leases	**461**	518
Purchase obligations in respect of transmission and distribution	**138**	189
Other long-term contracts and commitments	**150**	185

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 the audit exemption, for non-dormant subsidiaries, under section 479A of the Companies Act 2006. 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 2014. A full list of the companies which have made use of the audit exemption is presented in note 11.

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.

8. 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 € nil million at 31 December 2014 (2013: € 1 million).

8. 2.
Operating leases

Non-cancellable operating lease rentals are as follows:

	2014 Under 1 year €m	2014 1–5 years €m	2014 Over 5 years €m	2014 Total €m	2013 Under 1 year €m	2013 1–5 years €m	2013 Over 5 years €m	2013 Total €m
Leasing of satellite transponders	**11**	**60**	**32**	**103**	2	67	27	96
Other operating leases	**64**	**181**	**113**	**358**	66	195	161	422
	75	**241**	**145**	**461**	68	262	188	518

"Other operating leases" mainly relates to the rental of offices, buildings and equipment in Germany, France and the United Kingdom.

8. 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 signals of the RTL Group TV channels and radio stations.

8. 4.

Other long-term contracts and commitments

The Group has "Other long-term contracts and commitments" amounting to €150 million at 31 December 2014 (2013: €185 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.

FremantleMedia has arrangements for a remaining period of four years in relation to sale and lease back transactions for an amount of €4 million (2013: €8 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. RELATED PARTIES

Identity of related parties
At 31 December 2014, 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.

9. 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 €9 million (2013: €8 million) and €22 million (2013: €20 million), respectively. At the year-end, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €5 million (2013: €7 million) and €6 million (2013: €4 million), respectively.

Deposits Bertelsmann SE & Co. KGaA
With a 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 GmbH & Co. KG;
  - All shares of its wholly owned English subsidiary Bertelsmann UK Ltd.

At 31 December, RTL Group SA did not hold any deposit with Bertelsmann SE & Co. KGaA (2013: € nil million on a one to three months basis and € nil million on an overnight basis). The interest income for the period is € nil (2013: €0.2 million).

The interests in Gruner + Jahr GmbH & 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 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 GmbH & Co. KG.

At 31 December, RTL Group Deutschland GmbH did not hold any deposit with Bertelsmann SE & Co. KGaA (2013: € nil million. The interest income for the period is insignificant (2013: insignificant).

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 2014, the balance of the cash pooling accounts receivable and payable amounts to € nil million (2013: € nil million). The interest income/expense for the year is € nil million (2013: 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 SA has the right to early repay the loan subject to break costs. At 31 December 2014, the term loan balance amounts to €500 million (2013: €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 2014, the total of revolving and swingline loans amounts to €536 million (2013: € nil million).

The interest expense for the period amounts to €16 million (2013: €12 million). The commitment fee charge for the period amounts to €1 million (2013: €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.

The PLP Agreement was slightly amended in 2014 on the basis of a recent change to German corporate tax law.

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 2014, the balance payable to BCH amounts to €432 million (2013: €481 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €326 million (2013: €390 million).

For the year ended 31 December 2014, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €158 million (2013: €142 million). The Commission amounts to €52 million (2013: €52 million).

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of €4 million (2013: €5 million).

Others
On 29 October 2014, RTL Group disposed of 90 per cent, out of its 100 per cent holding, in BeProcurement SA (see note 5.2.).

9. 2. Transactions with investments accounted for using the equity method

The following transactions were carried out with investments accounted for using the equity method:

	2014 €m	2013 €m
Sales of goods and services to:		
Associates	**21**	18
Joint ventures	**56**	49
	77	67
Purchase of goods and services from:		
Associates	**10**	8
Joint ventures	**18**	17
	28	25

Sales and purchases to and from investments accounted for using the equity method 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:

	2014 €m	2013 €m
Trade accounts receivable from:		
Associates	**17**	17
Joint ventures	**8**	11
	25	28
Trade accounts payable to:		
Associates	**2**	3
Joint ventures	**–**	1
	2	4

9. 3.
Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to the 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:

	2014 €m	2013 €m
Short-term benefits	**7.4**	6.9
Post-employment benefits	**0.1**	0.1
Long-term benefits	**2.6**	3.7
	10.1	10.7

9. 4.
Directors' fees

In 2014, a total of €0.6 million (2013: €0.6 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.

10. SUBSEQUENT EVENTS

On 9 January 2015, Groupe M6 has acquired 100 per cent of Oxygem SA and its subsidiaries ("Oxygem"). Oxygem operates various websites. The acquisition will boost the digital development of Groupe M6 and generate many synergies.

On 12 February 2015, FremantleMedia announced it is taking a 25 per cent non-controlling stake in Corona TV, a newly created TV production company. The deal, which gives FremantleMedia a first look option on all Corona TV output, furthers FremantleMedia's ambition to build its scripted pipeline.

RTL Group management are contemplating different strategic options regarding the sport rights business UFA Sports. One possibility might be the disposal.

11. GROUP UNDERTAKINGS

	Note	Group's ownership 2014 (**)	Consolidated method (1)	Note	Group's ownership 2013 (restated **)	Consolidated method (1)
LUXEMBOURG*						
RTL Group SA			M			M

BROADCASTING TV	Note	Group's ownership 2014 (**)	Consolidated method (1)	Note	Group's ownership 2013 (restated **)	Consolidated method (1)
AUSTRIA*						
IPA Österreich Vermittlung für Fernseh-werbung GmbH		49.8	F		49.8	F
BELGIUM*						
Home Shopping Service Belgique SA	(2)	57.1	F		57.2	F
RTL Belgium SA		65.8	F		65.8	F
Société Européenne de Télévente Belgique GIE	(2)	48.2	F	(2)	48.5	F
Unité 15 Belgique SA	(2)	48.2	F	(2)	48.5	F
CROATIA*						
RTL Hrvatska d.o.o.		99.7	F		99.7	F
FRANCE*						
33 FM SAS	(2)	45.8	F	(2)	46.1	F
Best of TV Benelux SPRL	(2)	24.6	F		–	NC
Best of TV SAS	(2)	24.6	F		–	NC
C. Productions SA	(2)	48.2	F	(2)	48.6	F
Edit TV/W9 SAS	(2)	48.2	F	(2)	48.6	F
Football Club des Girondins de Bordeaux SASP	(2)	48.1	F	(2)	48.5	F
Girondins Expressions SASU	(2)	48.2	F	(2)	48.6	F
Girondins Horizons SASU	(2)	48.2	F	(2)	48.6	F
GM6 SAS	(2)	36.2	F	(2)	36.4	F
Home Shopping Service SA	(2)	48.2	F	(2)	48.5	F
Immobilière 46D SAS	(2)	48.2	F	(2)	48.6	F
Immobilière M6 SA	(2)	48.2	F	(2)	48.6	F
Les Films de la Suane Sàrl	(2)	48.2	F	(2)	48.6	F
Live Stage SAS	(2)	48.2	F	(2)	48.6	F
Luxview SAS	(2)	46.1	F	(2)	46.4	F
M6 Bordeaux SAS	(2)	48.2	F	(2)	48.6	F
M6 Communication SAS	(2)	48.2	F	(2)	48.6	F
M6 Créations SAS	(2)	48.2	F	(2)	48.6	F
M6 Développement SASU	(2)	48.2	F	(2)	48.6	F
M6 Diffusions SA	(2)	48.2	F	(2)	48.6	F
M6 Divertissement SAS	(2)	48.2	F	(2)	48.5	F
M6 Editions SA	(2)	48.2	F	(2)	48.6	F
M6 Evénements SA	(2)	48.2	F	(2)	48.6	F
M6 Films SA	(2)	48.2	F	(2)	48.6	F
M6 Foot SAS	(2)	48.2	F	(2)	48.6	F
M6 Génération/6Ter SAS	(2)	48.2	F	(2)	48.6	F
M6 Interactions SAS	(2)	48.2	F	(2)	48.6	F
M6 Publicité SASU	(2)	48.2	F	(2)	48.6	F
M6 Récréative SAS	(2)	48.2	F	(2)	48.6	F
M6 Shop SAS	(2)	48.2	F	(2)	48.6	F
M6 Studio SAS	(2)	48.2	F	(2)	48.6	F
M6 Thématique SA	(2)	48.2	F	(2)	48.6	F
M6 Toulouse SAS	(11)	–	NC	(2)	48.6	F
M6 Web SAS	(2)	48.2	F	(2)	48.6	F
Métropole Production SA	(2)	48.2	F	(2)	48.6	F
Métropole Télévision – M6 SA	(2)	48.2	F	(2)	48.6	F
Mistergooddeal SA	(12)	–	NC	(2)	48.6	F
MonAlbumPhoto SAS	(2)	48.2	F	(2)	46.1	F

BROADCASTING TV	Note	Group's ownership 2014 (**)	Consolidated method (1)	Note	Group's ownership 2013 (restated**)	Consolidated method (1)
Optilens SPRL	(2)	**46.1**	F	(2)	46.4	F
Panora Services SAS *(former Panorabanque SAS)*	(2)	**24.1**	JV	(2)	24.3	JV
Paris Première SAS	(2)	**48.2**	F	(2)	48.6	F
Printic SAS	(2)	**38.6**	F		–	NC
Quicksign SAS	(2)	**12.0**	E	(2)	16.5	E
SCI du 107	(2)	**48.2**	F	(2)	48.6	F
SEDI TV/Téva SAS	(2)	**48.2**	F	(2)	48.6	F
Série Club SA	(2)	**24.3**	JV	(2)	24.3	JV
SND Films LLC	(2)	**48.6**	F	(2)	48.6	F
SNDA SAS	(2)	**48.2**	F	(2)	48.6	F
Société des agences parisiennes SAS	(2)	**11.8**	E		–	NC
Société Nouvelle de Cinématographie SA	(2)	**48.2**	F	(2)	48.6	F
Société Nouvelle de Distribution SA	(2)	**48.2**	F	(2)	48.6	F
Stéphane Plaza Franchise SAS	(2)	**23.6**	E		–	NC
Studio 89 Productions SAS	(2)	**48.2**	F	(2)	48.6	F
TCM Droits Audiovisuels SNC	(2)	**48.2**	F	(2)	48.6	F
TF6 Gestion SA	(2)	**24.1**	JV	(2)	24.3	JV
TF6 SCS	(2)	**24.1**	JV	(2)	24.3	JV
Unité 15 France SA	(2)	**48.2**	F	(2)	48.5	F

GERMANY*

CBC GmbH		**99.7**	F		99.7	F
Clipfish GmbH & Co. KG	(11)	**–**	NC		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
Mediengruppe RTL Deutschland GmbH		**99.7**	F		–	NC
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**	JV		49.8	JV
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		**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		**99.7**	F		99.7	F

BROADCASTING TV	Note	Group's ownership 2014 (**)	Consolidated method (1)	Note	Group's ownership 2013 (restated**)	Consolidated method (1)

HONG KONG*

RTL CBS Asia Entertainment Network (HK) Limited		**70.0**	F		–	NC

HUNGARY*

CLT-UFA Magyarország Szolgáltató Kft		**99.7**	F		–	NC
Home Shopping Service Hongrie SA	(2)	**48.2**	F	(2)	48.5	F
Magyar RTL Televízió Zártkörűen Müködő Részvénytársaság	(4)	**99.7**	F	(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	(12)	**–**	NC		50.0	JV

LUXEMBOURG*

Broadcasting Center Europe SA		**99.7**	F		99.7	F
RTL Belux SA		**65.8**	F		65.8	F
RTL Belux SA & Cie SECS		**65.8**	F		65.8	F
RTL9 SA		**34.9**	E		34.9	E
RTL9 SA & Cie SECS		**34.8**	E		34.8	E

THE NETHERLANDS*

Couverts Reserveren BV	(16)	**99.7**	F		99.7	F
Pepper BV *(former RTL Nederland Ventures 1 BV)*	(16)	**99.7**	F		99.7	F
RTL Mobile Venture BV *(former RTL Nederland Ventures 3 BV)*	(16)	**99.7**	F		99.7	F
RTL Nederland BV	(16)	**99.7**	F		99.7	F
RTL Nederland Holding BV	(16)	**99.7**	F		99.7	F
RTL Nederland Interactief BV	(16)	**99.7**	F		99.7	F
RTL Nederland Ventures BV	(16)	**99.7**	F		99.7	F
Wentink Events BV	(16)	**99.7**	F		99.7	F

ROMANIA*

Cable Channels SA		**99.7**	F		99.7	F

BROADCASTING TV	Note	Group's ownership 2014 (**)	Consoli-dated method (1)	Note	Group's ownership 2013 (restated**)	Consoli-dated method (1)
SINGAPORE*						
RTL CBS Asia Entertainment Network LLP		**70.0**	F		70.0	F
SPAIN*						
Antena 3 Eventos SLU	(5)	**19.2**	E	(5)	20.5	E
Antena 3 Films SLU	(5)	**19.2**	E	(5)	20.5	E
Antena 3 Juegos SAU	(5)	**19.2**	E	(5)	20.5	E
Antena 3 Multimedia SLU	(5)	**19.2**	E	(5)	20.5	E
Antena 3 Noticias, SLU	(5)	**19.2**	E	(5)	20.5	E
Antena 3 Television Digital Terrestre de Canarias SAU	(5)	**19.2**	E	(5)	20.5	E
Atlantis Global Solutions SL	(5)	**6.4**	E	(5)	6.9	E
Atres Advertising SLU	(5)	**19.2**	E	(5)	20.5	E
Atresmedia Corporación de Medios de Comunicación SA	(5)	**19.2**	E	(5)	20.5	E
Atresmedia Foto SL	(5)	**17.3**	E	(5)	18.5	E
Canal Media Radio SAU	(5)	**19.2**	E	(5)	20.5	E
Cordina Planet SLU	(5)	**19.2**	E	(5)	20.5	E
Guadiana Producciones SAU	(5)	**19.2**	E	(5)	20.5	E
Hola TV América SL	(5)	**9.6**	E	(5)	10.3	E
Hola TV Latam SL	(5)	**7.2**	E		–	NC
Hola TV US LLC	(5)	**7.2**	E		–	NC
I3 Television SL	(5)	**9.6**	E	(5)	10.3	E
La Sexta Editorial Musical, SLU	(5)	**19.2**	E	(5)	20.5	E
Musica Aparte SAU	(5)	**19.2**	E	(5)	20.5	E
Publiseis Iniciativas Publicitarias SAU	(11)	**–**	NC	(5)	20.5	E
Uniprex SAU	(5)	**19.2**	E	(5)	20.5	E
Uniprex Television Digital Terrestre de Andalucia SL	(5)	**14.2**	E	(5)	15.2	E
Uniprex Television SLU	(5)	**19.2**	E	(5)	20.5	E
Uniprex Valencia Television SLU	(5)	**19.2**	E	(5)	20.5	E
SWITZERLAND*						
Goldbach Media (Switzerland) AG		**22.9**	E		22.9	E
USA*						
SND USA Inc	(2)	**48.2**	F	(2)	48.6	F

CONTENT	Note	Group's ownership 2014 (**)	Consoli-dated method (1)	Note	Group's ownership 2013 (restated**)	Consoli-dated method (1)
ANTIGUA*						
Grundy International Operations Ltd		**100.0**	F		100.0	F
AUSTRALIA*						
Clark & Leroy Pty Ltd	(12)	**–**	NC	(14)	100.0	F
Forum 5 Pty Ltd		**100.0**	F		100.0	F
FremantleMedia Australia Holdings Pty Ltd	(9)	**100.0**	F	(9)	100.0	F
FremantleMedia Australia Pty Ltd	(9)	**100.0**	F	(9)	100.0	F
Grundy Organization Pty Ltd	(9)	**100.0**	F	(9)	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		51.0	F
CHINA*						
AdSociety Daye Advertising Co. Ltd		**33.3**	E		33.3	E
Radical Media Co. Ltd	(14)	**34.5**	E	(14)	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	(11)	**–**	NC		51.0	F
Miso Estate ApS		**51.0**	F		51.0	F
Miso Film ApS		**51.0**	F		51.0	F
Miso Holding ApS		**51.0**	F		51.0	F
FINLAND*						
FremantleMedia Finland Oy		**100.0**	F		100.0	F
FRANCE*						
1. 2. 3. Productions 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 2014 (**)	Consoli-dated method (1)	Note	Group's ownership 2013 (restated**)	Consoli-dated method (1)
GERMANY*						
Divimove GmbH		**50.8**	E		–	NC
Fremantle Licensing Germany GmbH		**99.7**	F		99.7	F
Radical Media GmbH	(14)	**34.5**	E	(14)	100.0	F
RTL Group Licensing Asia GmbH		**99.7**	F		99.7	F
RTL Group Services GmbH		**99.7**	F		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	(3)	**99.7**	F	(3)	99.7	F
UFA Fiction GmbH	(3)	**99.7**	F	(3)	99.7	F
UFA GmbH	(3)	**99.7**	F	(3)	99.7	F
UFA Serial Drama GmbH	(3)	**99.7**	F	(3)	99.7	F
UFA Show 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*						
UFA Magyarorszag KFT *(former Magyarorszag 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*						
BeProcurement SA *(former FremantleMedia SA)*	(12)	**–**	NC		100.0	F
Duchy Digital SA		**99.7**	F		99.7	F
European News Exchange SA		**76.5**	F		76.5	F
MEXICO*						
FremantleMedia Mexico SA de CV		**100.0**	F		100.0	F

CONTENT	Note	Group's ownership 2014 (**)	Consoli-dated method (1)	Note	Group's ownership 2013 (restated**)	Consoli-dated method (1)
THE NETHERLANDS*						
Benelux Film Investments BV		**49.8**	JV		49.8	JV
Blue Circle BV		**100.0**	F		100.0	F
Four One Media BV	(8)	**100.0**	F		100.0	F
FremantleMedia Netherlands BV *(former 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**	JV		50.0	JV
Grundy International Holdings (I) BV		**100.0**	F		100.0	F
RTL Nederland Film Venture BV	(16)	**99.7**	F		99.7	F
RTL Nederland Productions BV	(16)	**99.7**	F		99.7	F
NORWAY*						
FremantleMedia Norge AS		**100.0**	F		–	NC
Miso Film Norge AS		**51.0**	F		51.0	F
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	(12)	**–**	NC		43.6	JV
FremantleMedia Asia Pte Ltd		**100.0**	F		100.0	F
UFA Sports Asia Pte LTD		**99.7**	F		87.3	F
SLOVAKIA*						
UFA Sports Slovakia s.r.o		**65.8**	F		65.8	F
SPAIN*						
Fremantle de España SL	(6)	**99.6**	F	(6)	99.6	F
FremantleMedia España SA		**100.0**	F		100.0	F
SWEDEN*						
FremantleMedia Sverige AB		**100.0**	F		100.0	F
Miso Film Sverige AB		**51.0**	F		–	NC
UK*						
Arbie Productions Ltd	(15)	**100.0**	F	(15)	100.0	F
Fremantle (UK) Productions Ltd	(15)	**100.0**	F	(15)	100.0	F
FremantleMedia Group Ltd	(15)	**100.0**	F	(15)	100.0	F
FremantleMedia Ltd	(15)	**100.0**	F	(15)	100.0	F
FremantleMedia Overseas Ltd	(15)	**100.0**	F	(15)	100.0	F
FremantleMedia Services Ltd		**100.0**	F	(15)	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	(10)	**100.0**	F	(10)	100.0	F
Talkback Thames Ltd	(12)	**–**	NC	(11)	100.0	F
Talkback Thames UK Ltd		**100.0**	F		100.0	F
Thames Television Holdings Ltd	(15)	**100.0**	F	(15)	100.0	F
Thames Television Ltd		**100.0**	F		100.0	F
UFA Fiction Limited	(3)	**99.7**	F		–	NC

CONTENT	Note	Group's ownership 2014 (**)	Consolidated method (1)	Note	Group's ownership 2013 (restated**)	Consolidated method (1)
USA*						
495 Productions Holdings LLC	(7)	**75.0**	F		–	NC
All American Music Group	(7)	**100.0**	F	(7)	100.0	F
Allied Communications Inc		**100.0**	F		100.0	F
Amygdala LLC	(13)	**100.0**	F	(13)	100.0	F
Cathedral Technologies LLC	(7)	**75.0**	F		–	NC
Fremantle Goodson Inc	(7)	**100.0**	F	(7)	100.0	F
Fremantle Licensing Inc	(6)	**100.0**	F	(6)	100.0	F
Fremantle Productions Inc	(7)	**100.0**	F	(7)	100.0	F
Fremantle Productions Music Inc	(7)	**100.0**	F	(7)	100.0	F
Fremantle Productions North America Inc	(7)	**100.0**	F	(7)	100.0	F
FremantleMedia Latin America Inc		**100.0**	F		100.0	F
FremantleMedia North America Inc	(7)	**100.0**	F	(7)	100.0	F
Good Games Live Inc	(7)	**100.0**	F	(7)	100.0	F
LBS Communications Inc	(7)	**100.0**	F	(7)	100.0	F
Leroy & Morton Productions LLC	(14)	**34.5**	E	(14)	100.0	F
Max Post LLC	(13)	**100.0**	F	(13)	100.0	F
Music Box Library Inc	(7)	**100.0**	F	(7)	100.0	F
Neville LLC	(13)	**100.0**	F	(13)	100.0	F
O'Merch LLC	(13)	**100.0**	F	(13)	100.0	F
Op Services LLC	(13)	**100.0**	F	(13)	100.0	F
Original Fremantle LLC	(13)	**100.0**	F	(13)	100.0	F
Original Productions LLC	(13)	**100.0**	F	(13)	100.0	F
Outpost Digital LLC	(14)	**34.5**	E	(14)	100.0	F
Radical Media LLC	(14)	**34.5**	E	(14)	100.0	F
Reg Grundy Productions Holdings Inc	(7)	**100.0**	F	(7)	100.0	F
Studio Production Services Inc	(7)	**100.0**	F	(7)	100.0	F
The Baywatch Productions Company	(7)	**100.0**	F	(7)	100.0	F
Thumbdance LLC		**100.0**	F		100.0	F
Vice Food LLC	(7)	**30.0**	JV		–	NC

BROADCASTING RADIO	Note	Group's ownership 2014 (**)	Consolidated method (1)	Note	Group's ownership 2013 (restated**)	Consolidated method (1)
BELGIUM*						
Cobelfra SA		**44.1**	F		44.1	F
Contact Vlaanderen NV	(12)	**–**	NC		42.1	JV
Inadi SA		**44.1**	F		44.1	F
IP Plurimédia SA		**65.8**	F		65.8	F
New Contact SA		**49.8**	JV		49.8	JV
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		**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	(11)	**–**	NC		49.7	E
AVE II Vermögensverwaltungsgesellschaft mbH & Co. KG		**99.7**	F		99.7	F
AVE VI Vermögensverwaltungsgesellschaft mbH & Co. KG	(11)	**–**	NC		49.7	E
BCS Broadcast Sachsen GmbH & Co. KG		**47.4**	E		47.3	E
Funkhaus Halle GmbH & Co. KG		**61.2**	F		61.2	F
Hitradio RTL Sachsen GmbH		**86.3**	F		86.3	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
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	(16)	**99.7**	F		99.7	F
SWITZERLAND*						
Swiss Radioworld AG		**23.0**	E		23.0	E

(***) At 31 December 2014, 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 2014 (**)	Consolidated method (1)	Note	Group's ownership 2013 (restated**)	Consolidated method (1)
AUSTRALIA*						
SpotXchange Australia Pty Ltd		**70.8**	F		–	NC
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		57.5	F
RTL Canada Ltd		**100.0**	F		100.0	F
FRANCE*						
IP Network SA		**99.7**	F		99.7	F
Société Immobilière Bayard d'Antin SA		**99.7**	F		99.7	F
GERMANY*						
Apareo Deutschland GmbH		**99.7**	F		99.7	F
Apareo Holding GmbH		**99.7**	F		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
Sparwelt GmbH *(former Econa Shopping GmbH)*		**99.7**	F		–	NC
UFA Film und Fernseh GmbH		**99.7**	F		99.7	F
UFA Sports Ventures GmbH		**99.7**	F		99.7	F
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		99.7	F
IP Luxembourg Sàrl		**99.7**	F		99.7	F
IP Network International SA		**99.7**	F		99.7	F
Media Properties Sàrl		**99.7**	F		99.7	F
MP E SA		**99.7**	F		–	NC
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	(16)	**99.7**	F		99.7	F
Dutch Learning Company BV		**37.7**	JV		–	NC
Future Whiz Media BV	(17)	**29.7**	JV		20.3	JV
NLziet Coöperatief UA		**33.2**	JV		–	NC
RTL Group Beheer BV		**100.0**	F		100.0	F
The Entertainment Group BV		**99.7**	F		99.7	F
Videostrip BV		**99.7**	F		99.7	F
SINGAPORE*						
RTL Group Asia Pte Ltd		**100.0**	F		100.0	F

OTHERS	Note	Group's ownership 2014 (**)	Consolidated method (1)	Note	Group's ownership 2013 (restated**)	Consolidated method (1)
UK*						
CLT-UFA UK Radio Ltd		**99.7**	F		99.7	F
CLT-UFA UK Television Ltd		**99.7**	F		99.7	F
SpotXchange Limited		**70.8**	F		–	NC
USA*						
RTL US Holding, Inc	(7)	**97.0**	F		–	NC
SpotXchange Inc		**70.8**	F		–	NC
Style Haul Inc		**97.0**	F		26.1	F

* Country of incorporation

(1) M: parent company
F: full consolidation
JO: Joint Operation (proportionate consolidation)
JV: joint venture (equity accounting)
E: equity accounting
NC: not consolidated
(2) Groupe M6 ("de facto" control)
(3) UFA Berlin Group
(4) M-RTL Group
(5) Atresmedia
(6) Fremantle Licensing Group
(7) FremantleMedia North America Group
(8) FremantleMedia Productions Netherlands Group
(9) FremantleMedia Australia (Holdings) Group
(10) Talkback Productions Group
(11) Company absorbed by a company of the Group
(12) Company sold or liquidated
(13) Original Productions
(14) Radical Media
(15) Company has elected to make use of the audit exemption in accordance with sections 479A of UK Companies Act 2006
(16) Company has elected to make use of the exemption to publish annual accounts in accordance with Section 403(1b) of the Dutch Civil Code.
(17) The Group holds certificates without voting rights providing a right to 7.5% of dividends distributed, if any

(**) 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

AUDITORS' REPORT

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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 2014, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information as set out on pages 106 to 187.

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 106 to 187 give a true and fair view of the consolidated financial position of the Group as of 31 December 2014, 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

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75–94 RTL Group, Dominik Gigler

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Luxembourg
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RTL Group Corporate Communications

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

FSC www.fsc.org MIX Paper from responsible sources FSC® C002722

FIVE-YEAR SUMMARY

	Year to December 2014 €m	re-stated 2013[1] €m	Year to December 2013 €m	Year to December 2012 €m	Year to December 2011 €m	Year to December 2010 €m
Revenue	**5,808**	5,824	5,889	5,998	5,765	5,532
– of which net advertising sales	**3,432**	3,362	3,430	3,397	3,459	3,362
Other operating income	**83**	51	50	45	40	51
Consumption of current programme rights	**(1,903)**	(1,924)	(1,940)	(2,015)	(1,791)	(1,711)
Depreciation, amortisation and impairment	**(203)**	(198)	(203)	(187)	(178)	(192)
Other operating expenses	**(2,681)**	(2,663)	(2,687)	(2,790)	(2,746)	(2,591)
Impairment of goodwill and fair value adjustments and amortisation of fair value adjustments on acquisitions of subsidiaries and joint ventures	**(103)**	(10)	(10)	(10)	(13)	(10)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**1**	5	5	(9)	107	(7)
Profit from operating activities	**1,002**	**1,085**	**1,104**	**1,032**	**1,184**	**1,072**
Share of results of associates	**47**	117	102	(53)	38	40
Earnings before interest and taxes (“EBIT”)	**1,049**	**1,202**	**1,206**	**979**	**1,222**	**1,112**
Net interest income/(expense)	**(23)**	(22)	(22)	(10)	(2)	12
Financial results other than interest	**(4)**	70	69	(1)	(27)	4
Profit before taxes	**1,022**	**1,250**	**1,253**	**968**	**1,193**	**1,128**
Income tax expense	**(288)**	(302)	(305)	(277)	(302)	(263)
Profit for the year from continuing operations	**734**	**948**	**948**	**691**	**891**	**865**
Loss from discontinued operations	**–**	–	–	(1)	(96)	(135)
Profit for the year	**734**	**948**	**948**	**690**	**795**	**730**
Attributable to:						
RTL Group shareholders	**653**	870	870	597	696	611
Non-controlling interests	**81**	78	78	93	99	119
Profit for the year	**734**	**948**	**948**	**690**	**795**	**730**
EBITA	**1,145**	1,148	1,152	1,078	1,134	1,132
Impairment of goodwill of subsidiaries	**(88)**	–	–	–	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	**(15)**	(10)	(10)	(10)	(13)	(10)
Impairment of disposal group	**–**	(10)	(10)	–	–	–
Impairment of investments accounted for using the equity method	**4**	68	68	(82)	(6)	(3)
Re-measurement of earn-out arrangements	**2**	1	1	2	–	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**1**	5	5	(9)	107	(7)
Earnings before interest and taxes (“EBIT”)	**1,049**	**1,202**	**1,206**	**979**	**1,222**	**1,112**
Basic earnings per share (in €)	**4.25**	5.67	5.67	3.88	4.53	3.98
Ordinary dividend per share (in €)	**2.50**	2.50	2.50	5.10	5.10	5.00
Extraordinary dividend per share (in €)	**3.00**[2]	4.50[3]	4.50[3]	5.40	–	–
Dividends paid (€million)	**851**	1,084	1,084	1,623	789	773
Average number of full-time equivalent employees	**9,804**	9,625	9,807	9,590	9,621	9,286
Net assets (€million)	**3,276**	3,593	3,593	4,858	5,093	5,597
Net (debt)/cash (€million)	**(599)**	6	36	1,051	1,238	1,456

(1) Re-presented following the application of IFRS 5 to Alpha Media Group (discontinued operations)
(2) Including an extraordinary interim dividend, paid in September 2014
(3) Including an extraordinary interim dividend, paid in September 2013

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