



annual report

2001

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Mission statement

“

RTL Group's aim is to offer popular high quality entertainment and information to all our audiences by encouraging and supporting the imagination, talent and professionalism of the people who work for us.

”

key values

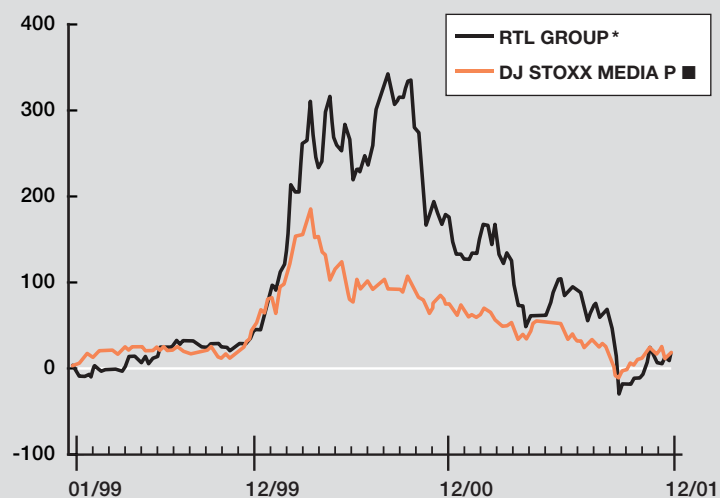
These are the principles and qualities that guide RTL Group:

- **Quality:** we seek excellence in everything we do.
- **Creativity:** we provide stimulating workplaces where creative talent can flourish.
- **Focused management:** we manage our businesses actively on behalf of our shareholders, while respecting the cultural needs of the communities we serve.
- **Productivity:** we seek out ways to work more efficiently as a Group.

key figures

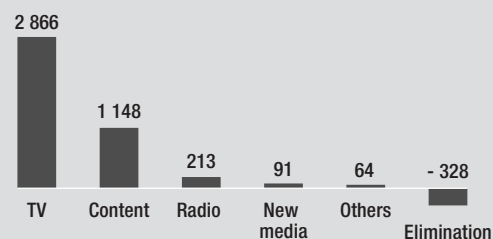
1999 and 2000 based on unaudited pro forma figures

1999-2001 Share price performance



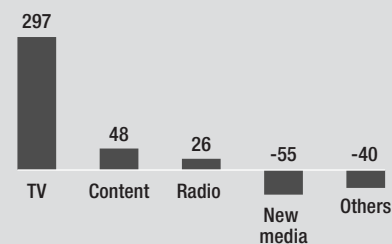
2001 Revenue breakdown

by activity - € million



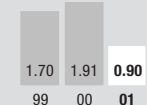
2001 Consolidated EBITA per segment

€ million



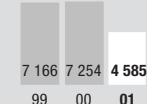
Adjusted earnings per share*

€



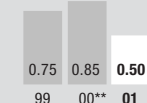
Shareholders' equity

€ million



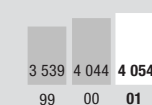
Dividend per share

€



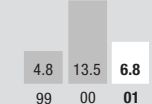
Revenue

€ million



Market capitalisation

€ billion



* Brussels stock exchange, as most traded place.

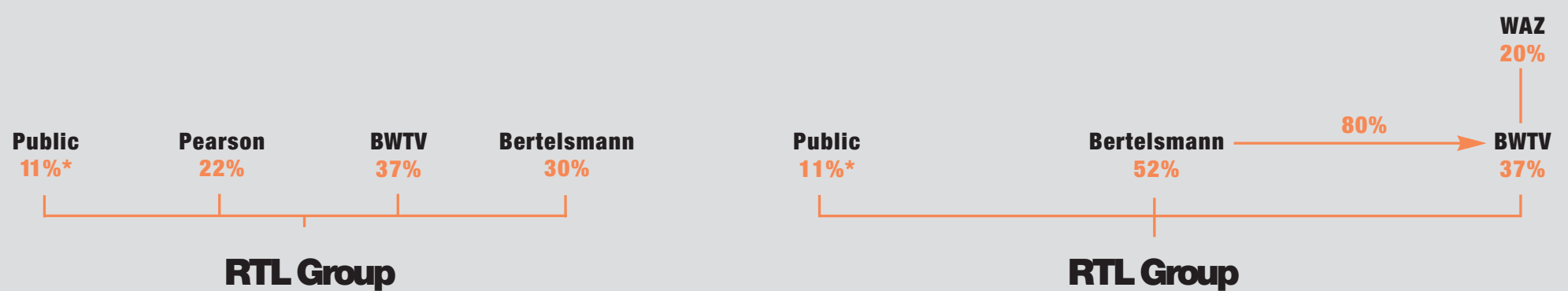
*Net result adjusted for amortisation and impairment of goodwill and gain or loss from sale of subsidiaries, joint ventures and other investments, net of tax.

**Excluding an extraordinary dividend of EUR 0.45

Shareholding structure

31 December 2001

31 January 2002



* 0.7% of RTL Group's shares held collectively as treasury stock by RTL Group and CLT-UFA



The year 2001 was one of the most difficult that advertising-related industries have ever seen. The downturn was largely unpredicted at the end of 2000, but the effects began to be apparent almost as soon as the New Year began. I am proud to say that our Group has once again been a leader – not just in seeing and understanding the scale of the problem, and then reacting quickly to offset the effects, but also in breaking the news to the shareholders and the markets.

We were the first, at our results announcement in March, to herald the downturn, at a time when many of our competitors still wanted to believe it was simply a short-term problem.

Throughout the year, RTL Group's management led the way in terms of realism and honesty.

This clear-sightedness had two outcomes. Firstly, we were amongst the quickest to apply cost controls across all our operations, starting in the Spring. Secondly, the Group and its management developed a reputation for transparency and responsibility, which has established us as a reliable barometer of the pan-European media economy.

As the results for 2001 show, RTL Group continued to outperform its competitors in all the key markets, which, combined with a good balance sheet, helped us grow stronger. It remains unclear when the market will recover, but I believe our Group is better placed than most others to take advantage of that recovery when it comes.

Everyone at RTL Group can take credit for such a strong performance in a very tough year, and I want to thank them all for remaining focused and professional throughout.

Our shareholding structure has changed dramatically through 2001, culminating in the agreement between Bertelsmann and Pearson at the end of the year that saw the latter exiting RTL Group. I want to thank all our shareholders – including GBL, who remain an influential force on our Board following their own agreement with Bertelsmann in February – for their continued support and enthusiasm for our Group.

Juan Abelló
Chairman

CEO'S review



2001 was the year we faced up to the harsh realities of a prolonged economic downturn.

The first signs of trouble appeared in the UK in the second half of 2000. The pattern of falling advertising revenue spread quickly through western Europe in 2001.

At the year end, the overall television advertising market in Germany, France and the UK was down by 7% to 10% and visibility remained poor into 2002.

As Europe's largest commercial broadcaster, we could not escape the consequences. Advertising revenue across all our businesses was down by 2.8% year-on-year in 2001. It could have been worse. Geographical diversification helped to limit our exposure to the most severely affected markets, while the strength of our brands and the quality of our creative, sales and management people ensured that we performed well in our major markets.

Our German businesses were outstanding, especially our flagship RTL Television, which achieved marked gains in audience

and market share, while M6 in France and Channel 5 in the UK also went against the market trends.

The difficult trading conditions concentrated our minds, and much was accomplished during the year.

We created a leaner organisation with better control over administration and programme costs.

We brought our businesses closer together, in the process improving our cost-effectiveness and instilling a positive culture of internationalism throughout our Group.

We reviewed and refocused our portfolio and strengthened our balance sheet.

A leaner organisation

Group management took decisive action in 2001 to maximise utilisation of resources and bring down costs.

This was done throughout the Group, not least at Group level, where we have reduced headcount, streamlined our operations, and closed some corporate locations.

We restructured our content business in the US to reduce losses and improve our risk profile, closing our syndication business and downsizing our international drama commitments, for which we took a one-off charge in 2001.

But we have not permitted cost cutting to impact on the quality of our output. Indeed, in some markets, such as Channel 5 in the UK, we have substantially increased our television programme budgets.

As a well-funded group, we have a unique opportunity to build market share by investing in quality, while others are slashing programme expenditure.

Bringing our businesses together

2001 was the first full year of operation for our Group following the merger with Pearson Television in 2000.

We grouped our content businesses together during the year in a unified management structure under the new FremantleMedia brand.

The drive to deliver synergies was intensified, in order to leverage the enormous potential of our brands and to gain the benefits of our pan-European scale.

This was most marked in the levels of cooperation we were able to achieve, reflected in the large number of successful joint projects and collaborations during the year.

Our people worked across borders to bring formats such as *Greed* and *Pop Idol* to new markets quickly and efficiently. We worked across businesses to develop initiatives, as in the Netherlands where Holland Media House (HMH), the joint venture between FremantleMedia and HMG, started to deliver exciting new programming for our television channels.

The teams worked together within our national media families, as in France where Fun Radio was able to benefit from the success of *Loft Story* on M6. And our people worked together across platforms, to create new broadband and interactive outlets for our content.

This cooperative spirit is helping to define a vibrant culture of internationalism within our Group, founded on a shared understanding of the needs of audiences and broadcasters in different territories.

Our teams form natural creative and marketing partnerships, pooling their talents and expertise. For example, the heads of our television businesses now meet together on a monthly basis to gain the benefit of each other's experience. This internationalism gives us a distinctive competitive advantage.

Refocusing our portfolio

We are continually examining opportunities to improve our market positions through acquisitions and strategic alliances. We took a major step forward in May, when we announced the formation of a new sports rights and marketing business. SPORTFIVE is the result of a merger of RTL Group's UFA Sports, Canal+ Group's Sport+ and Groupe Jean-Claude Darmon. The SPORTFIVE combination defines us as a premier league player in the important sports rights marketplace.

A thorough review of our portfolio was performed during the year with the aim of increasing focus and value. This resulted in the disposal of several non core or under-performing assets, of which the most significant were our holdings in the German pay TV Premiere, the Polish television channel RTL 7 and several radio stations including Atlantic 252 in the UK and Ireland, and two local stations in Sweden. We also sold our French facilities business, VCF.

A strong balance sheet

Our policy of conservative financial management and transparency is serving us well at a time when standards of corporate accounting are being called into question.

Not only were we quick to alert the financial markets as revenue conditions deteriorated, we were also one of the first to take a goodwill impairment adjustment, which we announced with our interim results in September. This acknowledged the downturn in asset values that occurred in the year following the merger between CLT-UFA and Pearson Television.

In November we completed the restructuring of RTL Group's financing arrangements with a €2 billion medium-term notes programme.

The 'A' class corporate credit ratings awarded during the year were confirmation of the fundamental strength of our balance sheet and the robustness of our diversified multi-territory asset base.

Diversification has improved our risk profile. Relatively stable returns from our content businesses help to offset the more volatile revenue from television and radio.

We are exploring opportunities to diversify our revenue sources further through merchandising, e-commerce and transaction-based ventures.

For example, RTL SHOP, the theme channel we launched in Germany in 2001, is generating significant teleshopping revenues. SPORTFIVE will reduce our exposure to risk

in the sports rights marketplace through its growing share of a commission-based business model. And the US restructuring has reduced our involvement in deficit financing.

Management evolution

There were some major changes of management in 2001 and after the year end.

Richard Eyre, Director of Strategy and Content, left the Group at the end of March 2001. In February 2002 we announced that our Chief Operating Officer Ewald Walgenbach would be leaving to take up a similar COO position with Bertelsmann. We are most grateful to them both for their contributions to the development of our business.

Richard Eyre played an important role in seeing through the merger with Pearson Television and the subsequent integration of our content businesses.

Ewald Walgenbach has been pivotal in the creation of RTL Group as a unified pan-European business and has worked tirelessly to secure synergies between our operations.

We put in place a small Executive Committee comprising our Chief Financial Officer, Thomas Rabe, Bruno Chauvat, our Chief Strategy Officer, and myself.

A larger Operations Management Committee has been created to link the operating units directly to the CEO.

This committee will be entrepreneurial in scope and will ensure international, group-wide exchange on strategic and operational matters.

A transformed shareholding

Bertelsmann's acquisition of Pearson's stake was the latest step in a three-stage process that is transforming our ownership structure.

In May 2001 the European Commission approved Bertelsmann's acquisition of the 30 per cent holding owned by Groupe Bruxelles Lambert (GBL). This gave Bertelsmann a majority interest and took its holding to 67%. The acquisition of Pearson's 22% stake took Bertelsmann to 89%.

Dedicated staff

More than anything, it was the sheer dedication of our people that saw us successfully through a demanding year. The professionalism of our television and radio teams helped us to build audience and market share to new highs in some markets and to reverse declines in others.

The talent and commitment of our content team ensured that innovative, high quality programmes were brought quickly to market. The determination of our new-media people,

who laboured in difficult market conditions helped to consolidate our position as a clear leader in European online entertainment.

Our news teams responded superbly to the horrifying terrorist attacks of 11 September. The immediacy and dignity of their coverage gripped and informed audiences, which in some cases chose us ahead of the public channels to which they traditionally turn in times of crisis. But the tragic death of Pierre Billaud, who was covering the fighting in Afghanistan for our RTL radio service in France, was a stark reminder of the courage of news crews and the risks they take to bring world events into our homes.

Thanks to all of our people, RTL Group is in better shape than many of its peers. This will become apparent when the recovery comes, as we will be among the first to benefit.



Didier Bellens
Chief Executive Officer

Principal RTL Group businesses and undertakings

The chart below illustrates the structure of RTL Group principal businesses and undertakings as at December 31, 2001. The name of each company is followed by an indication of the percentage held directly or indirectly by RTL Group.

		Germany		France		Netherlands		Belgium	
television	Free TV	RTL TELEVISION	100%	M6 ⁽¹⁾	45.2%	RTL 4 ⁽²⁾	100%	RTL TVI	66%
		RTL II	35.9%	RTL9	35%	YORIN ⁽²⁾	100%	CLUB RTL	66%
		VOX	99.7%	TMC ⁽⁵⁾	23.8%	RTL 5 ⁽²⁾	100%		
		SUPER RTL	50%						
		RTL SHOP	100%						
	TV Services	CBC	100%	VCF ⁽³⁾	100%				
content		FREMANTLEMEDIA: United Kingdom, Germany, France, Italy, Spain, Portugal, Sweden, Finland, Poland, Greece, Netherlands, North America, South Africa, Indonesia, Mexico, Argentina							
	Production	UFA FILM & TV PRODUKTION	100%	BE HAPPY	100%	HOLLAND MEDIA HOUSE ⁽¹⁾	100%		
		TREBITSCH PRODUKTION HOLDING	64%						
Rights	BMG VIDEO	100%	SPORTFIVE	44.4%					
radio	Radio	104.6 RTL	100%	RTL	100%	YORIN FM ⁽²⁾	100%	BEL RTL	43%
		BERLINER RUNDFUNK	30%	RTL2	100%			RADIO CONTACT	35%
		RTL RADIO-DIE GRÖSSTEN OLDIES	100%	FUN RADIO	100%				
		ANTENNE BAYERN	16%	SUD RADIO	20%				
		RADIO HAMBURG	29.2%						
		RADIO NRW	16.1%						
		RADIO 21-der neue Rocksender	9.8%						
	Radio Services	FM RADIO NETWORK	51%						
new media		RTL NEWMEDIA	100%	M6 Web	45.2%	RTL iMEDIA ⁽²⁾	100%		
				RTL Net	100%				

Luxembourg		United Kingdom		Hungary		Spain		Sweden		Australia	
RTL TELE LETZEBUERG	100%	CHANNEL 5	64.6%	RTL KLUB	49%	ANTENA 3	17.2%				
BCE ENEX	100% 69.3%	LPC	100%								
DELUX PRODUCTION	100%	THAMES TELEVISION	100%							GRUNDY	100%
		ALOMO	100%								
		TALKBACK PRODUCTIONS	100%								
CLT-UFA INTERNATIONAL	100%	FREMANTLEMEDIA ENTERPRISES	100%								
RTL RADIO LETZEBUERG	100%							104.7 RTL ⁽⁴⁾	49%		
								WOW 105.5 ⁽⁴⁾	100%		
IP WEB.NET RTL NEW MEDIA LUXEMBOURG	100% 100%	FREMANTLEMEDIA ENTERPRISES	100%								

(1) Including theme channels. (2) Interest held through Holland Media Groep (HMG).
(3) Sold in February 2002. (4) Sold in January 2002. (5) Sold in March 2002



2001

highlights

January 2001

We complete our strategic withdrawal from the German Pay TV market with the sale of our remaining 5% stake in Premiere to Kirch Gruppe. This follows our disposal of our 45% stake in Premiere to Kirch in March 1999.

February 2001

Bertelsmann Broadband Group is acquired and integrated into RTL NEWMEDIA, strengthening our position in the emerging market for interactive television services.

Bertelsmann and Groupe Bruxelles Lambert (GBL) announce that Bertelsmann is to acquire the 30% stake in RTL Group held by GBL, by a way of share swap.

March 2001

RTL SHOP, our new teleshopping channel in Germany, is launched. The shareholders are RTL Television, RTL NEWMEDIA and M6. This is a clear and concrete example of cross border and cross media synergy.

At our annual results presentation, we are the first major European media group to warn of the slowdown in advertising.

April 2001

The former Veronica radio and television businesses in the Netherlands are relaunched under the Yorin name, and given a fresh identity and new programmes.

Audience research in France shows that RTL is regaining listeners lost during 2000. Media and public response to the radio station's new schedule is favourable.

May 2001

RTL Group, Canal+ Group and Groupe Jean-Claude Darmon agree to merge their sports rights activities to create a major force in the international market. The new business will comprise our own UFA Sports, Sport+ (the sports rights trading subsidiary of Canal+ Group) and Groupe Jean-Claude Darmon, in which RTL Group already had a 28% interest. Following the completion of the transaction, RTL Group and Canal+ Group will own equal stakes in the enlarged group.

June 2001

The financial strength of our Group is confirmed with the award of 'A' class corporate credit ratings from the rating agencies Moody's and Standard and Poor's. This reflects our strong European position in television, radio and content as well as our levels of profitability and cash flow generation.

We dispose of our French independent distributor SND to M6.

July 2001

M6's *Loft Story*, based on the *Big Brother* format, drives the French television channel's audience share to record levels. The final show reaches more than nine million viewers.

August 2001

RTL Group, through FremantleMedia, acquires 100% of the shares of Be Happy, a Paris-based production company specialising in the infotainment sector.

September 2001

At our interim results presentation we again warn of deteriorating conditions in the European advertising market. But in spite of the difficulties, our Group is outperforming its peers in most key markets.

On September 11 and 12, most of our TV and radio stations cancel their schedule in order to cover the terrorist attacks in the US.

October 2001

Donations continue to flow in to our appeal for victims of the 11 September terrorist attacks. Mounted jointly with Bertelsmann and Gruner + Jahr, the appeal raises \$1 million for the children of the victims.

November 2001

The European Commission approves the merger between UFA Sports, Sport+ and Groupe Jean-Claude Darmon. The new group is to be named SPORTFIVE and will be headquartered in Paris.

December 2001

Bertelsmann announces that it is to increase its holding in our Group to 89% by acquiring the 22% stake owned by Pearson and that it has commenced discussions with the Board of RTL Group about the possibility of buying out the remaining public shareholders.

We dispose of our Polish television station RTL 7 to the media group ITI.

January 2002

RTL Group, through UFA Film & TV Produktion GmbH, acquires 51% of the shares of the partnership interest of the German production group Phoenix.

We announce the sale of our Swedish radio stations 104.7 RTL and WOW 105.5 to Modern Times Group.

February 2002

A new group management structure is put in place. As well as a small Executive Committee, a larger Operations Management Committee is created to link the operating units directly to the Chief Executive Office and provide a forum for group-wide exchange on strategic and operational matters.

In the UK, the final edition of the FremantleMedia production *Pop Idol* wins a huge audience of 13.1 million and a 57% audience share for ITV.

We announce the sale of our French technical facilities company, VCF to Barcelona-based TV services group Mediapro.

March 2002

RTL Group and Canal+' tender offer to shareholders of Groupe Jean-Claude Darmon is accepted by most, giving each company 46.4% of the newly created SPORTFIVE

Bertelsman announces that it has decided not to proceed with a voluntary public offer for the remaining RTL Group shares.

**a robust performance from
the European leader**

**commercial
TV**



We are the European leader with interests in 23 commercial television channels in 9 countries. The excellence of our programmes, supported by the professionalism of our sales and marketing teams, helped our television business emerge in fine shape from a challenging year.

Western Europe's television broadcasters had a tough year in 2001. Advertisers cut their budgets as the global economy went into reverse, and there were no one-off circumstances to compensate, such as the boom in dotcom and telecom advertising that boosted revenue the previous year. Moreover, audiences continued to fragment as cable and satellite services increased their penetration into European homes.

Despite this our television channels demonstrated their ability to excel in the most difficult of conditions. Innovative programming and exacting quality standards ensured that most of our channels outperformed their competitors. This was most evident in our largest market, Germany, where RTL Television had a particularly outstanding year.

Our broadcasters and content companies are working more closely together than ever before, both to develop new programme ideas and to ensure that established successes are continually revitalised to meet the high expectations of audiences. For example, in the Netherlands where we faced some fall-off in audience levels, our recently-created content company Holland Media House (HMH) developed and launched exciting new programmes that are restoring our ratings. In Germany, Belgium and the Netherlands, where we have integrated families of complementary channels, we continued to deliver programming, marketing and administration synergies. Our IP advertising sales forces responded to the difficult conditions, by successfully converting our popularity with audiences into improved shares of television advertising revenue.

We exited Poland's television market at the end of 2001, disposing of our interest in the loss-making RTL 7, as we were unable to obtain the frequencies we needed to achieve adequate technical coverage.



Germany

RTL Television: 100%
RTL II: 35.9%
SUPER RTL: 50%
VOX: 99.7%
RTL SHOP: 100%

France

M6: 45.2%
RTL 9: 35%
TMC: 23.8% (sold in March 2002)

The Netherlands

RTL 4: 100%
Yorin: 100%
RTL 5: 100%

Belgium

RTL TVI: 66%
Club RTL: 66%

Luxembourg

RTL Télé Lëtzebuerg: 100%

United Kingdom

Channel 5: 64.6%

Hungary

RTL KLUB: 49%

Poland

RTL 7: 100%
(sold in December 2001)

Spain

Antena 3: 17.2%

Technical services

Broadcasting Center Europe: 100%
Cologne Broadcasting Center: 100%
London Playout Centre: 100%
VCF: 100% (sold in February 2002)
ENEX: 69.3%

Television Germany



- An increasingly powerful presence in Europe's second largest advertising market.
- Impressive performance in highly competitive conditions.
- Launch of RTL SHOP, our first homeshopping channel in Germany.

Although the German television advertising market went into decline in 2001, falling by 5.2% (gross-source: Nielsen S+P), the strength of our television brands and their complementary positioning ensured a positive outcome. Our four channels together accounted for a 41.2% share of the television advertising market, up from 39.3% the previous year.

The centrepiece of our German television presence is RTL Television, which in 2001 extended its leadership in the key demographic groups through innovative programming and successful new ventures. Alongside RTL Television, our three second tier channels also outperformed their competitors. VOX and Super RTL both improved their audience and revenue shares by focusing on their core targets, adults and children

respectively, while RTL II consolidated its position with younger adult viewers after an exceptional year in 2000.

In spite of a highly competitive environment, the four channels' share of 14 to 49 year old viewers remained stable at 30.3% (2000: 30.5%).

We are now building a third tier of niche channels and businesses that are opening up new sources of revenue and which benefit from synergies with other companies in the RTL and Bertelsmann Groups. For example, the new teleshopping theme channel RTL SHOP has drawn on the experience of M6 in France, which has a stake in the channel, and is using the Bertelsmann subsidiary Arvato for logistical and technical support.

RTL Television

2001 was a triumphant year for RTL Television. Not only did it extend its market leadership in the 14 to 49 age group, it also overtook the public broadcaster ARD to take the largest share of total adult viewing. In an environment of continuing audience fragmentation, RTL Television was the only first tier channel to increase its share.

Once again, RTL Television dominated the top 100 most widely viewed broadcasts with no fewer than 83, comfortably surpassing its previous year's score of 57. The channel achieved audiences of over 10 million on 80 occasions – more than all the other channels combined.

Wer Wird Millionär (Who Wants To Be A Millionaire?) drew even bigger audiences than the previous year – the show's average rating increased from 9.0 million to 9.9 million.

RTL

VOX



super

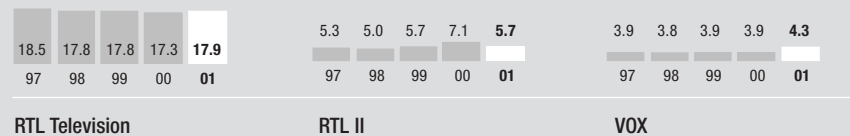
RTL Television's Formula 1 motor racing coverage was more successful than ever with the average audience exceeding 10 million for the first time. RTL Television successfully developed its in-house production of drama formats, including TV movies such as *Sophie Sissis Little Sister* series, sitcoms and event programming. In-house and commissioned productions accounted for two thirds of the channel's output and helped

to define its distinctively innovative and diversified style. RTL Television is also setting the standards in news and magazine programmes, with its main news show *RTL Aktuell* increasing its lead among younger viewers. RTL anchorman Peter Kloeppeel collected several awards for his reporting of the terrorist attacks of 11 September. Several new businesses and activities were developed

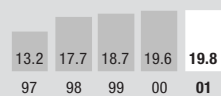
during the year, including the RTL School of Journalism and RTL Creation, a marketing and design agency. RTL SHOP, the homeshopping channel, was launched successfully in March. As well as broadcasting 24 hours a day via satellite, it provides a homeshopping window on RTL Television and VOX. RTL SHOP is expected to break even three years after launch. Its shareholders are RTL Television, RTL NEWMEDIA and M6.

Audience share 1997/2001 (%)

Source: GfK
Target 14-49



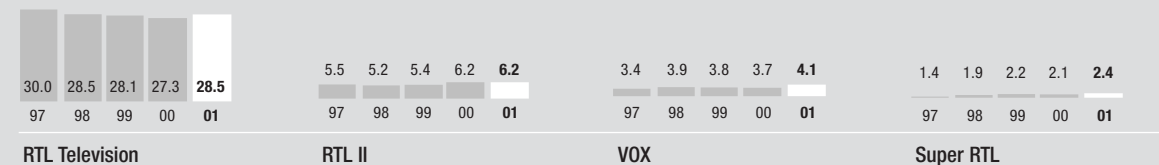
Source: GfK
Target 3-13



Super RTL

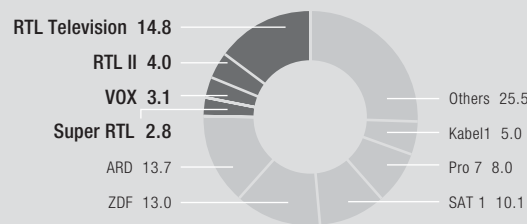
Advertising share 1997/2001 (%)

Source: Nielsen S+P



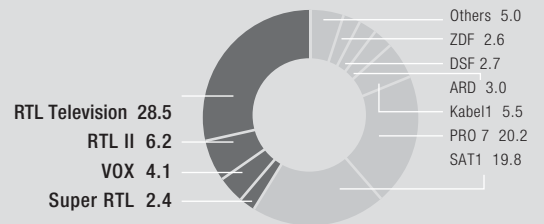
National audience breakdown (%) - 2001

Source: GfK



National advertising breakdown (%) - 2001

Source: Nielsen S+P



VOX

VOX's impressive performance continued in 2001, its first full year under our majority ownership. The channel's schedule of movies, series and mini series, supported by attractive in-house information and entertainment formats, is proving to be successful with viewers and advertisers.



Not only was its 4.3% share of the 14 to 49 year old audience its best ever, VOX was also one of the very few German broadcasters to record an increase in advertising sales year-on-year. VOX has increased revenue by more than 9%, demonstrating that, given quality programming, growth is possible even in a difficult market.

This excellent result, combined with efficient management of costs, ensured that VOX achieved profitability for the first time under IAS on a yearly basis.

VOX's strategy of establishing a strong primetime presence was fully vindicated. For example, since launching the *Starkino* movie slot on Thursday evenings the channel has doubled its ratings in the 20.00-22.00 time segment. The top movie of the year was *The Rock* with more than 20% of 14 to 49 year olds. The two-part US production *Nürnberg* was another big success.

RTL II

RTL II continued to focus on young viewers with fun formats such as *Popstars* and *Gestrandet* together with lifestyle and infotainment magazines, sitcoms and comedies, music and cartoons, and other exciting series.

Popstars was an outstanding success with high ratings and thousands of hopefuls auditioning to be participants. Two chart-topping bands emerged, No Angels and Bro'Sis, with combined sales of more than three million CDs. Science fiction also proved popular.

The *Stargate* mini series was a hit with viewers, as were the new series *Andromeda* and established classics such as *Monster Rancher* and *Pokémon*.

Infotainment programmes and docusoaps continued to perform well. *Schnulleralarm! Wir Bekommen Ein Baby*, which followed the experiences of expectant mothers, was a notable success.

Although audience share fell back from the previous year's highs, when ratings were boosted by *Big Brother*, RTL II was able to maintain its much-improved share of television advertising, which remained stable at 6.2%.



Super RTL

Ratings for the children's channel Super RTL have improved steadily since launch in 1995. Its share of 3 to 13 year olds rose to 19.8% in 2001. Moreover, the channel has firmly established itself as a core medium for children's advertising. In spite of the advertising downturn, it was able to sustain revenue at the previous year's high level, and to expand its share of the market from 2.1% to 2.4%.

Super RTL is successfully developing its business to maximise revenue from licensing and merchandising as well as advertising. In March it launched TOGGO, a new cross-media children's entertainment brand embracing all of Super RTL's television, internet and event marketing activities.

TOGGO gives advertisers an enhanced range of advertising opportunities and has strengthened Super RTL's position as a licensing partner.

The channel also made gains in adult viewing during the year. Its early evening programmes have proved popular with 14 to 49 year old audiences, while in evening primetime its 'television with a happy ending' approach has won over many female viewers.

Television France

- Continuing programme successes for M6.
- Further gains in market share.
- Diversified earnings streams from M6's portfolio.



The French television advertising market fell by 3.4% in 2001, after an extraordinary year in 2000 when the market rose by 6.1% (gross-source Secodip). There was some compensation for the private channels, however, who benefited from a further reduction in the supply of advertising minutage on the public channels, which came into effect at the beginning of the year. During 2001 we held stakes in three French television companies – legal restrictions prevent us from acquiring majority ownership. M6 is our key holding and a major source of earnings for the Group and in 2001 we increased our stake from 43.8% to 45.2%.

During the year M6's broadcasting licence was renewed for a further five years. Continuing audience and revenue achievements have confirmed its status as one of France's premier channels. Its strategy of diversification is serving it well in the current advertising climate. More than a third of its revenue is generated by theme channels, merchandising and other activities and is therefore not directly exposed to the vagaries of the television advertising market. We also have interests in the cable and satellite channel, RTL 9, which substantially expanded its technical coverage during the year, and in TMC (Télé Monte Carlo). The latter was sold in March 2002.

M6

M6 had another excellent year. Its impressive track record of audience growth is the result of an imaginative and audacious programming approach, which has built the channel's strong identity. M6 was the best performing French channel in 2001, increasing its audience share (4+) from 13.2% to 14.0%, and it consolidated its position as the second channel for viewers under 50 with a share of 18.9%. M6 also built up its position in the television advertising market, increasing its share of revenue from 21.4% to 22.9%. The biggest programming event of the year was *Loft Story*, based on the *Big Brother* format, which caught the imagination of the public, generated enormous publicity and debate,



and scored M6's highest ever ratings. During the series, M6 even overtook TF1 as France's most popular channel. *Popstars* was almost as successful, attracting an average five million viewers per episode.

The M6 family of theme channels is flourishing. Téva, the women's channel, came close to breaking even. M6 Music and Fun TV, aimed at the 15 to 25 age bracket, consolidated their leadership of the target audience. TF6 has risen to seventh position in the cable and satellite market in less than a year. In 2001, M6 produced or co-produced no fewer than 14 theme channels, distributed by cable networks and TPS, the digital television bouquet in which M6 has a 25% stake. TPS has steadily built its subscriber base and in September it launched a new premium cinema and football channel, TPS Star.

M6 has also developed a wide array of media-related businesses, ranging from publishing and music to rights acquisition and film distribution. The M6 Interactions music label sold more than 11 million discs during 2001. Home Shopping Service (HSS), M6's wholly-owned teleshopping subsidiary, produced more than 200 hours of teleshopping programmes per month, which were broadcast on its partner television channels.

RTL 9

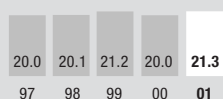
RTL 9 was France's leading cable and satellite channel for the seventh consecutive year, capturing 2.7% of the television audience. A family entertainment channel, RTL 9 is broadcast from Luxembourg and is distributed in France as well as Switzerland.

It also broadcasts local programming in Eastern France and Luxembourg via its terrestrial signal. RTL 9's technical coverage improved by nearly 50% in 2001 and now reaches 6.1 million households. The decision by CanalSatellite to include RTL 9 in its basic service added 1.8 million new subscribers.



Audience share 1997/2001 (%)

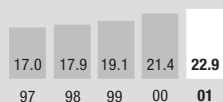
Source: Mediamétrie
Target: 15-34



M6

Advertising share 1997/2001 (%)

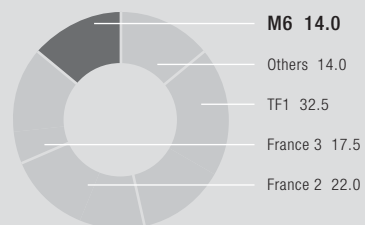
Source: SECODIP



M6

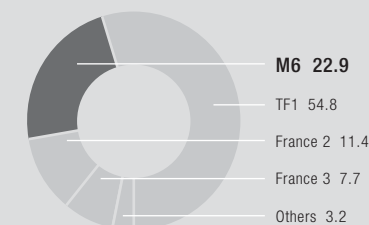
National audience breakdown (%) - 2001

Source: Mediamétrie
4+



National advertising breakdown (%) - 2001

Source: SECODIP





- Confident performance in a challenging market.
- Further gains in audience and market share.
- Increased investment in programming.

Television **United Kingdom**

2001 was a challenging year for the UK's terrestrial television channels. The three major advertising-funded channels had to fight hard for share in a declining advertising market, and all reported falls in revenue. The year-on-year decline for the television advertising market as a whole amounted to 8.6% (net-source: Industry). ITV, the main advertising-funded channel, was worst affected with a decrease of 13.6% (Channel 5 estimates). Most terrestrial broadcasters also experienced erosion of audiences: ITV's audience share was down by almost 9%.

Competition for viewers intensified as cable and satellite channels increased their penetration to 10.3 million homes by the end of the year. In spite of these difficulties, Channel 5 performed strongly. It was one of only two terrestrial channels to achieve an increased share of viewing and an above-average revenue performance. Since its launch in 1997, continuing investment in programming and marketing has helped it build a significant audience of younger adult viewers.

Channel 5

The revenue downturn did not prevent Channel 5 raising its investment in programming – up by 14.6% in 2001 with further increases agreed for 2002. In addition, the channel made savings in overheads during the year which it was able to reinvest in programming and other core activities. Football, entertainment and drama all benefited from increased investment, and the return of the popular presenter Kirsty Young at the end of the year strengthened the channel's news coverage.

The introduction of Home And Away in July 2001 was a major success. Ratings for the Australian soap, which

is broadcast at 18:00 on weekday evenings, are well ahead of expectations. This had the further benefit of boosting audience figures for the daily drama, *Family Affairs*, in the 18:30 time slot. Since the launch of *Home and Away*, Channel 5's weekday 18.00-19.00 ratings have increased by 145%. Other successes for the channel included movies and commissioned programmes, particularly in factual. Channel 5 has a fresh approach to marketing, which has helped to generate positive press and public attitudes. Major poster campaigns were mounted for *Home And Away* and other programmes, and during the summer a promotional road show travelled the UK. The channel's investment in programmes and marketing was rewarded with an increase in audience share, against the industry trend. Its share of adult viewing increased to 5.8% and it also improved its position in the key ABC1 and 16 to 34 year old demographic groups. This helped Channel 5 consolidate its position in the advertising market, where its share increased from 6.3% to 6.4%. Technical reach also improved, from 85.1% to 86.6%. with 21.2 million households in the UK now able to receive Channel 5.



Audience share 1997/2001 (%)

Source: BARB
4+



Channel 5

Advertising share 1997/2001 (%)

Source: Agency

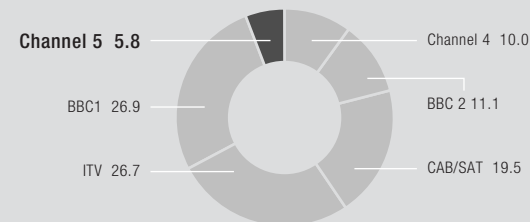


Channel 5



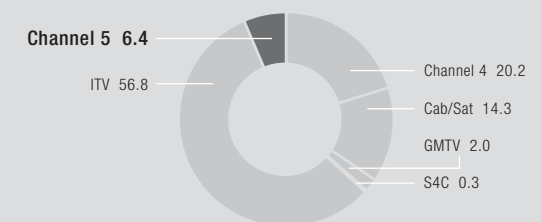
National audience breakdown (%) - 2001

Source: BARB
4+



National advertising breakdown (%) - 2001

Source: TV Industry



Television **the Netherlands**

- Difficult year in tough conditions
- Leadership position regained by RTL 4.
- Major relaunch for Yorin.



The Netherlands was one of the first countries in Europe to be hit by the advertising downturn especially in the automotive, telecom, banking and insurance sectors and, after two years of very strong growth, television advertising fell by 6.3% in 2001 (net-source: SPOT). Competition further intensified as a result of SBS's take-over of the Fox 8 channel, which it relaunched as V8 in May 2001. Through our ownership of Holland Media Group (HMG), we control three channels – RTL 4, Yorin (formerly Veronica) and RTL 5. Management changes in 2000, followed by a major re-positioning and rebranding programme during 2001, have re-energised our programming.

Although competition increased, the audience share for the three channels (shoppers 20-49) dropped slightly from 30.7% to 29.7%.

RTL 4, our flagship channel and main revenue generator, regained its market leadership in its target group from September.

Programme quality was enhanced by the signing of a major output deal with Fox and the development of new formats with Holland Media House (HMH), the joint venture between HMG and FremantleMedia. HMH is now the second largest production house in the Netherlands. During the year, HMG concluded other joint ventures involving Starmaker, Big Brother and RTL Z.

RTL 4

RTL 4 is one of the country's most popular family channels offering a broad menu of drama, information and entertainment. The continuing popularity of established programmes, such as *Goede Tijden, Slechte Tijden* (Good Times, Bad Times) and *Baantjer*, combined with several successful new initiatives, helped grow its audience share (shoppers 20-49) from 15.3% to 16.3%.

The channel's new drama series *Rozengeur & Wodkalime*, which centres on the lives of four women who are close friends, quickly established itself as a favourite with female viewers.

RTL Boulevard was another successful new formula. The tabloid news show, produced by HMH, has substantially improved audience ratings in its 18:30 timeslot with a fast-paced mix of domestic and international news, expert commentary, controversial opinion and lively gossip.



Yorin

2001 was the year of transformation for our second channel in the Netherlands. The former Veronica changed its name to Yorin – The Movement, and took the opportunity to relaunch itself as a new multimedia platform. Yorin targets young adults with adventurous, cosmopolitan and interactive programming. In March, the programme grid was revised to include better quality fiction and some new programmes. The daily reality soap *Starmaker* was a huge success. This portrayed the development of the pop band K-Otic, who went on to top the music charts. The interactive *Ticket To Love* in the summer gave single people the opportunity to find their ideal partners via television and the internet. This was followed by *Big Brother: The Battle*, the third series of the famous format which drew an audience of over 2.75 million for the final episode. Yorin suffered a decline in audience share immediately after its highly-publicised relaunch. But the combination of new formats, established successes and popular movies helped build ratings steadily through the remainder of 2001, particularly in its target market of 20 to 49 year olds.

RTL 5

RTL 5 rounds off HMG's television family with a varied schedule of programmes. It has built a reputation for its sports coverage, with Formula 1 and European football achieving particularly high ratings. The 1996 undertaking imposed by the European Commission on RTL 5 which restricted the channel's scope of programming expired in mid 2001. The channel took the opportunity to develop its share of the target audience, 20 to 49 year old men, from 5.1% to 5.4%. Daytime programming was transformed in June when RTL 5 became the first channel in the Netherlands to offer viewers financial information throughout the day.

Audience share 1997/2001 (%)

Source: Intomart
Target 20-49

Target: 20-34



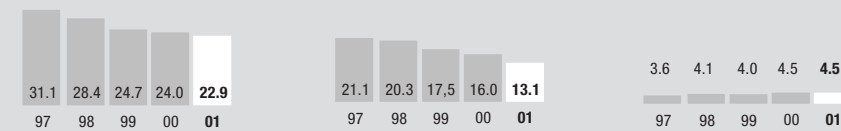
RTL 4

RTL 5

Yorin

Advertising share 1997/2001 (%)

Source: Intomart / HMI



RTL 4

Yorin

RTL 5

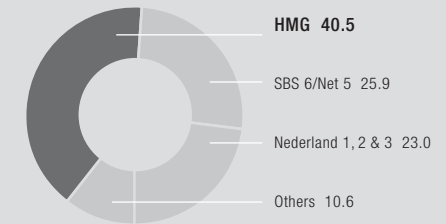
National audience breakdown (%) - 2001

Source: Intomart
13+



National advertising breakdown (%) - 2001

Source: BBC





Television Belgium and Luxembourg

- Continued progress in the French-speaking television market.
- Extension of broadcasting hours in Luxembourg.

Despite the unfavourable international advertising market trend in 2001, the south Belgian television advertising market recorded a slight growth of 1.7% (gross-CMI-MDB), although changes to the revenue measurement methodology in 2001 have complicated comparisons with previous years. Our two channels in Belgium, RTL TVI and Club RTL, maintained their successful strategy of complementary programming and further reinforced their strong hold on the French-speaking television market. Once again, the two channels' combined share of audience increased, from 30.1% in 2000 to 30.4%.

This was achieved in the face of competition from the new channel, AB3, which launched in October with programming targeted at 15 to 34 year old viewers. We also own a majority stake in the distribution company Belga Films, whose films reached an audience of 1 million in the Benelux countries. Its home video sales increased from 530,000 to 750,000 cassettes and DVDs.

RTL Télé Lëtzebuerg in Luxembourg made positive progress. Although the channel broadcasts under a concession agreement which restricts opportunities for revenue

development, it is nonetheless investing in its programming for the benefit of the community. Broadcasting hours have been extended and further local programmes are under development.

Belgium: RTL TVI

RTL TVI offers family programming in the information, entertainment and fiction genres. It broadcasts several of the most popular programmes in French-speaking Belgium, including *Qui Sera Millionnaire? (Who Wants To Be A Millionaire)*. Favourite series such as *Medicopter*, together with major

RTL TVI

club
RTL

RTL
LUXEMBOURG

films like *Six Days, Seven Nights* and *Armageddon*, help to ensure that RTL TVI regularly occupies a leading position in the audience ratings.

The channel has a strong commitment to news and information. In addition to the two major news programmes, broadcast at 13:00 and 19:00, it has developed an original current affairs format for the 19.30 time slot.

Belgium: Club RTL

Club RTL targets three key audiences. Children can watch their favourite cartoons during the daytime, while teenagers can switch on to *Clip Club*, *Fan Club* and adventure series such as *Dawson*.

For male viewers, Club RTL offers Champions League matches and football magazine programmes, which have maintained very good ratings during 2001.

Encouraged by the continuing success of its football coverage, the channel intends to maintain a strong sports focus.

Club RTL broadcasts classic movies in the evenings, complemented by popular US series such as *Sex and the City*, and *Roswell*.

Luxembourg: RTL Télé Lëtzebuerg

RTL Télé Lëtzebuerg was once again Luxembourg's favourite channel, accounting for no less than 70% of the television audience.

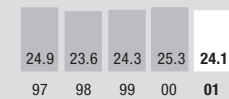
Broadcasting hours were extended from 5.5 to 18 hours each day. As well as the German teleshopping channel RTL SHOP, RTL Télé Lëtzebuerg is expanding its locally-produced content.

A new show, Planet RTL, was launched to great success in September. Planet RTL reaches 37% of its target audience of 12 to 34 year olds with interactivity, entertainment and showbiz chat.



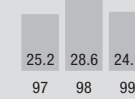
Audience share 1997/2001 (%)

Source: Audiométrie
Target: 18-44



RTL TVI

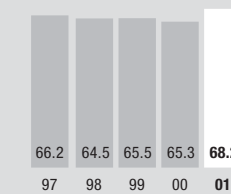
Target: 4-14



Club RTL

Advertising share 1997/2001 (%) (French-speaking Belgium)

Source: RTL TVI



RTL TVI/Club RTL

French-speaking Belgium audience breakdown (%) - 2001

Source: Audiométrie
4+



Television Hungary and Poland

- Joint leadership of the Hungarian television market.
- Disposal of the loss-making RTL 7 in Poland.



Broadcasters in Hungary and Poland also had to contend with the advertising downturn that affected most western European countries. The advertising market in Hungary decreased by 4.7% in 2001 (net-RTL KLUB estimates) but RTL KLUB's success continued.

It now shares leadership of the Hungarian television market with TV2. RTL 7 in Poland was less successful, and at the end of 2001 we announced the sale of our 100% holding.

We keep our loss-making interests under continuous review and this disposal was consistent with our policy of focusing on strong core businesses.

Hungary: RTL KLUB

RTL KLUB's winning programming style drew more viewers during the year. Several innovative formats were launched including two early evening programmes – the *Mónika* talk show which targets young adults and *Találkozások*, a celebrity magazine programme which appeals to women viewers. RTL KLUB was already the primetime leader; now it has also overtaken TV2 in share of daytime viewing. These and other successes, such as the popular Summer Film Festival, ensured that the channel once again improved its market position. In 2001, its share of the 18 to 49 year old audience grew from 33.2% to 33.9%, further closing the gap with TV2.

Since September 2001, RTL KLUB has become market leader.

It also strengthened its position in the television advertising market, increasing its share from 48% to 52%.

RTL KLUB is continuing to invest for the future. It opened a new studio during the year, acquired rights to broadcasting Formula 1 motor-racing events, and agreed with FremantleMedia to develop new programmes, building on the long-running success of daily drama *Baratok Köszö* (*Between Friends*), which is produced by Grundy UFA and which achieved a rating up to 60%.

Poland: RTL 7

RTL 7 was launched in 1996 and was broadcast by satellite under a Luxembourg licence.

It continued to be loss-making during 2001.

A relaunch and new programme strategy introduced the previous year did not achieve the desired increase in audience and its share fell from 2.9% to 2.4%.

In spite of strenuous efforts to increase coverage, its technical reach was still below 50% of Polish households at the year end. After examining the channel's prospects, and taking into account the Polish authorities' unwillingness to release terrestrial frequencies, we concluded that RTL 7 was unlikely to become profitable in the near future.

Consequently, in December 2001, we announced the sale of RTL 7 to the media and entertainment group ITI, a majority shareholder of the Polish commercial TV station TVN. Under the terms of the deal, ITI will acquire RTL 7, its formats, its current film library and the satellite transponder obligations with Eutelsat. ITI intends to rebrand RTL 7 as a second TVN channel.

Audience share 1997/2001 (%) Hungary

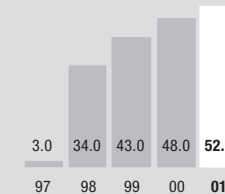
Source: AGB 4+



RTL KLUB

Advertising share 1997/2001 (%) Hungary

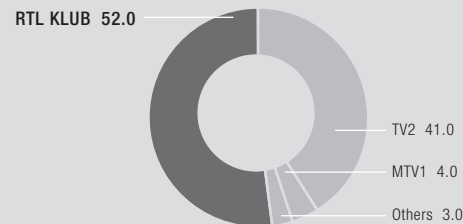
Source: RTL KLUB, Estimates



RTL KLUB

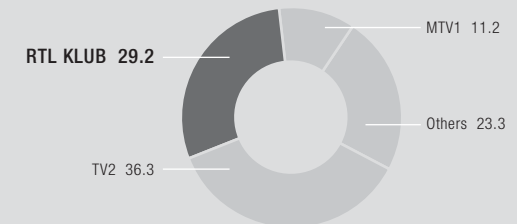
National advertising breakdown (%) - 2001 Hungary

Source: RTL KLUB, Estimates



National audience breakdown (%) - 2001 Hungary

Source: AGB Hungary 4+



Television Spain

- A strategic stake in one of Spain's most successful private channels.



As with the rest of Europe, the Spanish TV advertising market decreased in 2001, falling by 7.8% (net - source: Infoadex). We hold a 17.2% stake in Antena 3, which is one of Spain's leading private television companies. In addition to its terrestrial channel, Antena 3 has interests in a number of theme channels. Several of these are carried on the pay TV service Via Digital, in which RTL Group has a 5% stake.

Antena 3

Antena 3 confirmed its competitive position in the Spanish television market with a 20.4% audience share. Trendsetting new programmes launched during the year quickly became favourites with viewers, such as the talkshow *El Diario De Patricia* (*Patricia's Diary*), the quiz show *Pasapalabra*, and the series *Betty La Fea* (*Ugly Betty*). Blockbuster movies drew millions of viewers

– *Titanic* was the best performer with a 46.9% share of the audience.

The channel has a strong commitment to news and current affairs.

Its news division, Antena 3 Noticias, has a correspondent network covering seven countries and is able to air powerful and effective coverage of local and international events.

Television technical services

- A leader in Europe's technical services market.
- Further integration and consolidation.

Our technical services division is a European leader, working with a large and diversified portfolio of external business partners as well as companies within our Group. It provides a full range of services for the playout of television and radio channels, together with studio and outdoor production facilities.

Efforts continued throughout the year to integrate the businesses and deliver operating synergies.

A new CEO, Alain Flammang, was appointed in November to spearhead the division's development and improve margins. As part of the drive for focus, RTL Group announced the sale of Vidéo Communication France (VCF) in February 2002.

The technical services division now comprises three principal businesses: Luxembourg-based Broadcasting Centre Europe (BCE), Cologne Broadcasting Centre (CBC) and London Playout Centre (LPC), which was formerly Pearson Television UK Operations.

A focused portfolio

BCE had a busy year handling production and post-production work for the German companies Capri Sonne and Quelle. Following the purchase of advanced equipment, the company now offers high definition post-production facilities as well as the latest visual effects. BCE also developed its new media activities: 90,000 programme items were digitised in 2001 and stored in its archive ready for playout or browsing.

CBC was very successful, bringing the Universal programmes *13th Street* and *Studio Universal* from London to Munich.

It is now broadcasting the Swiss and Austrian advertising windows for Super RTL and VOX in Germany, and the programming window for Viva in Poland.

In June, it completed the new broadcasting and production centre for the teleshopping provider QVC and launched the transmission technology and uplink for the travel channel TV-Travel-Shop.

Pearson Television UK Operations was renamed London Playout Centre (LPC) and is now fully integrated into our Technical Division. It maintained its position as the UK leader for broadcast services, delivering more than 60 streams to markets throughout Europe and the Middle East.

Its international expertise ensured a successful start-up of the new Universal channels in the UK, and it secured a contract extension with Discovery Communications International.

LPC has invested in a centralised multi-channel playout resource and is developing its post-production facilities. VCF made further progress, gaining several new clients and contracting for a daily show with France 2.

It maintained its strong position as the main technical services provider for football coverage.

However, because of low margins and limited opportunities for synergies with our television and content interests in France, we reached an agreement in February 2002 to sell our 100% interest in VCF to the Barcelona-based TV services group Mediapro.

RTL Group also has interests in several specialist technical services businesses, including ENEX (European News Exchange).

ENEX provides news gathering and sports programming facilities for 26 broadcasters in its network.

In 2001 it increased the number of bookings on its transponder by 25%, and finalised a partnership with one of the Italian news networks.



bringing our talents together

content



Our content business made significant progress in 2001. The former CLT-UFA and Pearson Television businesses have been brought together, rebranded as FremantleMedia, and restructured into two divisions: FremantleMedia Production and FremantleMedia Enterprises.

FremantleMedia Production is organised on a territory basis, around a family of strong local production businesses. A central management team develops and acquires formats and sets quality standards across the territories. Led by FremantleMedia CEO Tony Cohen, who replaced Richard Eyre during the year, this team works closely with the territories to ensure that ideas and knowledge flow freely throughout our content network. This interchange helps to ensure that our creative teams have an international approach and access to world class expertise.

FremantleMedia Enterprises brings together the international distribution, licensing, internet, interactive and US syndication operations of FremantleMedia into a single, highly focused division. Its aim is to deliver maximum value from FremantleMedia's new and existing

programme brands across as many platforms as possible on a global basis.

We took two major strategic decisions during the year. The first was to restructure our US production and syndication business in order to focus on the development, production and distribution of light entertainment programmes. We downsized our international drama commitments, following the deterioration in market conditions and consolidation in the US industry, which resulted in a one-off charge of €32 million. We formed a new partnership with Tribune Group, which is now managing the syndication of FremantleMedia game shows in the US and cooperating on potential development and co-production projects. The second decision was to join UFA Sports' forces with Sport+ and Groupe Jean-Claude Darmon to create a pan-European sports rights company.



As a result of the merger, which was announced in May and completed in December, a new group SPORTFIVE, led by Jean-Claude Darmon, is set to take its place as an international leader in the important sports rights marketplace.

Germany

UFA Film & TV Produktion: 100%
Treibtsch Produktions
Holding: 64%
BMG Video: 100%

United Kingdom

FremantleMedia: 100%
Thames Television: 100%
Alomo Productions: 100%
Talkback Productions: 100%

France

SPORTFIVE: 46.4%*
Be Happy: 100%

Luxembourg

Delux Production: 100%
CLT-UFA INTERNATIONAL: 100%

Australia

Grundy: 100%

Netherlands

Holland Media House: 100%

*After additional 2% acquired in March 2002, following the offer to the minority shareholders.



Content FremantleMedia Production

- Increased investment and output.
- Exciting new productions launched.
- Extensive roll-out and development of existing formats.

2001 was a highly productive year for FremantleMedia Production's operating companies, which include such well-respected names as Thames Television and Talkback in the UK, UFA Film & TV Produktion in Germany and Grundy in Australia. Over 230 productions were broadcast in more than 35 territories worldwide, and hours produced rose by 9.1%. We continue to lead the German market, with more hours of programming produced by UFA Film & TV Produktion than by any of its competitors. Their 2001 output also included a wide range of entirely new programmes. Several new development

and co-production arrangements were concluded, both with RTL Group broadcasters and third parties. HMM, a joint venture with HMG in the Netherlands looks particularly promising. In Germany, *Die Polizistin (The Policewoman)* won the prestigious Adolf Grimme Prize, and *RelaXX* the Goldener Spatz award. *Der Tunnel* won several awards, including the Deutscher Fernsehpreis for best film. In the UK, *Ali G* won BAFTA, Golden Rose and Royal Television Society awards. Investment in new programme development was stepped up during the year, with spending more than double the level of 2000.

Investment is focused on developing new programme formats and updating older formats to appeal to local viewer tastes and the needs of the market. Development teams are in place in London, Paris, Madrid, Berlin, Cologne, Copenhagen and Los Angeles and results are already coming through. FremantleMedia seeks out talented small production businesses for acquisition, to help improve our position in specific territories or genres. In 2001, we acquired 100% of the French infotainment company Be Happy and at the beginning of 2002, 51% of the German drama company, Phoenix.

New programme launches

FremantleMedia Production's creative teams brought no fewer than 48 original new titles to market in 2001 – a significant increase on the previous year.

New game shows and reality programmes were in demand across Europe and around the world. Our innovative productions were rewarded with some remarkable successes.

In the UK, *Pop Idol*, the search for the nation's new solo pop idol which began transmission on ITV in the autumn of 2001, won huge ratings. The audience voted each week for their favourite performer, culminating in the final show to select the overall winner.

This drew a massive audience of 13.1 million and a 57% share. 8.7 million votes were cast by viewers in only 2 hours – the highest ever phone vote in the UK. Also in the UK, the dating makeover show *Would Like To Meet* caught the imagination of viewers and scored impressive ratings. In Finland, the reality format *Suuri Seikkailu (Extreme Escapades)* was a winner, achieving shares as high as 68%.

Our new game shows also scored well with viewers – the interactive *La Gym De Neurones (Smarttest)* in France was outstanding, as was *Veto* in Germany. We had major successes in other genres too, such as the entertainment show *¡Ay Mi Madre! (Mother Knows Best)* in Spain and the children's drama, *Escape of the Artful Dodger*, in Australia.

Roll-out of winning formats

FremantleMedia owns an extensive library of established formats, which it exploited in 2001 with a vigorous programme of launches in markets around the world.

The classic game show *Family Feud* was broadcast in 12 territories, the most recent launches being in Mexico, where it was the highest rated game show in that country, as well as Thailand and Venezuela.

In an intensive and carefully planned roll-out, the game show *Greed* was brought to countries as diverse as Germany, the UK, Italy, Austria, Russia, Venezuela, Lebanon and Poland. Since September 2000, FremantleMedia has launched the format in 18 territories.

Other notable successes included *The Lyrics Board*, which was launched in the Netherlands and Poland, bringing the number of territories in which the format was broadcast in 2001 to 10. In Italy, the game show *100%* and the reality format *\$20 Challenge* launched simultaneously on LA7 during July.

In India, the enduring game show *Let's Make A Deal* was a success on Star TV, and in Poland the hit series *I Love Lucy* was launched in December.

Established successes

Many long-running and much-loved formats continued in production during 2001.

The weekly women-in-prison drama *Hinter Gittern (Behind Bars)* was the highest rated drama series for RTL Television in Germany with an audience of 6.5 million, while *Die Quiz Show* was SAT1's highest rated daily game show and *Was Bin Ich? (What's My Line?)* was the top show for Kabel1. In Finland, the FremantleMedia game shows *The Lyrics Board* and *Greed* consistently featured among the highest rated shows in the country. The daily drama *Salatut Elämät (Secret Lives)* achieved shares as high as 65%. RTL KLUB's daily drama *Barátok Közt (Between Friends)* continued to occupy the top position as the highest rated show in Hungary amongst 18 to 49 year olds with shares up to 60%. In France, after 14 years on air, *Questions Pour Un Champion (Going For Gold)* remained the top entertainment show for broadcaster France3, gaining an audience of 6.8 million viewers. In the UK, long-running productions continued to deliver impressive ratings for their broadcasters: *The Bill* and *Family Feud* achieved highest audiences of nearly 10 million, and *This Is Your Life* was close behind with almost 9 million. In Australia, *Wheel Of Fortune*, *Neighbours* and *Who Wants To Be A Millionaire?* all continued to perform well.





Content

FremantleMedia Enterprises

- Major distribution successes.
- Licensing companies merged into a new business unit.

Our newly-created FremantleMedia Enterprises division brought its activities together within two business units. Fremantle International Distribution is responsible for the distribution of FremantleMedia properties, while Fremantle Licensing handles brand licensing, music publishing, home entertainment, video, DVD and archive sales.

International distribution

In October, Fremantle International Distribution launched the animated *Mr Bean* series, and quickly generated sales in territories across Europe and Asia. The live action *Mr Bean* television series also continued to sell well and is now under licence in over 70 territories. The groundbreaking 13-part series *History of Football: The Beautiful Game*, which Fremantle International Distribution also produced, reached the final stages of completion. Over 500 hours of material and more than 300 interviews were recorded

in the making of what will be the definitive history of the world's most popular sport. Other major new properties launched by Fremantle International Distribution in 2001 were *The Road From Coorain*, starring Juliet Stevenson and Richard Roxburgh, *Ride To Freedom: The Rosa Parks Story*, starring Angela Bassett, and *The Helen West Movies* based on the novels of crime author Frances Fyfield and starring Amanda Burton. In addition to a second series of its critically acclaimed legal drama *100 Centre Street*, Fremantle International Distribution

also launched new instalments of its television movie franchise, *The Nero Wolfe Mysteries*, starring Timothy Hutton and Maury Chaykin. Both dramas were broadcast on the A&E Television Network in the US.

The daily serial drama *Neighbours* continued to be licensed to many territories throughout the world, including the UK, Canada, Spain, Belgium and Israel.

Licensing

Fremantle Licensing mounted a range of promotion and product initiatives for its game shows and drama properties throughout Europe. Its catalogue of 'Cult Kids' television shows was a notable success across all groups, including video, DVD and merchandising. The television show *Rainbow*, which ran for 20 years on British television, was the star of its classic children's properties, which also include *Danger Mouse* and *Button Moon*. Fremantle Licensing is transforming its classic formats into products for the gaming and entertainment environment. It achieved a significant breakthrough in the casino and lottery markets with such classics as *Family Feud* and *Card Sharks*, and has now closed a deal for *The Price Is Right*. In partnership with IGT and Harrah's Entertainment, Fremantle Licensing secured the most successful launch of a new licensed gaming machine ever, with over 1,800 units ordered and placed in the seven months since launch. Another profitable property is *Pop Idol*, for which Fremantle Licensing is managing merchandising and sponsorship in the UK.



Delux

The Luxembourg-based facilities business Delux produced three feature films in 2001: *She, Me & Her*, a co-production with Star Film, *Secret Passage*, a co-production with Zephyr films, for which a sixteenth century Venetian set was built in Luxembourg, and *Moonlight*, a co-production with Staccato Films, Peppermint and The Spice Factory.

BMG Video

We also own BMG Video, which is one of Germany's leading video distributors. It had its highest ever turnover in 2001, helped by a boom in video sales in Germany. BMG Video has established strong partnerships with other companies within the RTL Group, especially in the fields of rights acquisitions and marketing.

Content sports rights

- RT Group, Canal+ Group and Groupe Jean-Claude Darmon merge their sports rights businesses to create SPORTFIVE, a powerful new player in the international sports arena.

At the beginning of 2001, we owned 100% of UFA Sports in Germany and 28% of Groupe Jean-Claude Darmon in France. By the end of the year, we had joined forces with Canal+ Group and Groupe Jean-Claude Darmon to create SPORTFIVE, an exciting new enterprise which is ideally positioned to benefit from growth in the international sports rights business. SPORTFIVE represents a merger of UFA Sports and Canal+ Group's sports rights trading subsidiary Sport+ into Groupe Jean-Claude Darmon.

Following the completion of the public offer to Groupe Jean-Claude Darmon's minority shareholders, RTL Group and Canal+ Group own equal stakes of 46.4% of the new entity. SPORTFIVE is currently listed on the Paris stock exchange. The new group manages TV and marketing sports rights contracts for over 320 football clubs, more than 40 national football federations and several major European football leagues. It is also active in other sports such as handball, rugby, basketball and tennis. SPORTFIVE offers its clients a full range of sport marketing and communication services,

including event, advertising, team and hospitality management as well as TV rights marketing. It is headquartered in Paris and is led by Jean-Claude Darmon, who is the Chairman and Chief Executive Officer. Bernd Hoffmann from UFA Sports and Jérôme Valcke from Sport+ are the joint Chief Operating Officers. SPORTFIVE brings together a highly complementary set of geographic strengths, sports marketing networks, and specialist skills. It will be able to share innovative techniques and best practices across markets, and it will have the financial capacity to handle major sports events and rights.



A leader in Germany

Through UFA Sports, we have been successfully involved in the acquisition of sports broadcasting and sponsoring rights for the past ten years. Increasingly, football has been its main focus. UFA Sports has developed highly successful concepts for full-service marketing of German soccer clubs – concepts which it will now be able to transfer to other key markets such as Italy and France through SPORTFIVE.

In spite of the media downturn, UFA Sports had a highly successful year in 2001, marketing rights to no fewer than 540 football matches, including the UEFA Cup and the World Championship qualifiers. During the year it secured its position in Poland through an extension of the deal with the Polish football federation.

UFA Sports aims to build long-term alliances with its clients and has full-service marketing contracts with several leading Bundesliga clubs spanning sales of sponsorship and advertising rights as well as ticketing, merchandising and hospitality. In 2001 a new contract was signed with the top Turkish club Galatasaray. UFA Sports now has an office in Turkey, extending its international coverage from Poland, Italy and UK in Europe to Malaysia, Brazil and the US.

A strong presence in France

Groupe Jean-Claude Darmon maintained its impressive track record of growth and profitability, despite there being no major international football tournaments during its financial year.

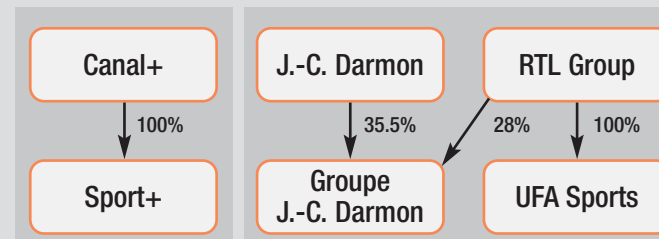
Its success is founded on an innovative approach to the marketing of advertising and broadcasting rights, ensuring that revenue is optimised for clients while advertisers achieve maximum exposure for their brands.

The group has been at the forefront of technical advances such as electronic scoreboards and virtual advertising, and has developed valuation standards to apply to multimedia rights. In 2001 it signed a groundbreaking seven-year deal with the telecoms group Orange for the broadcasting of content on mobile sites via UMTS technology.

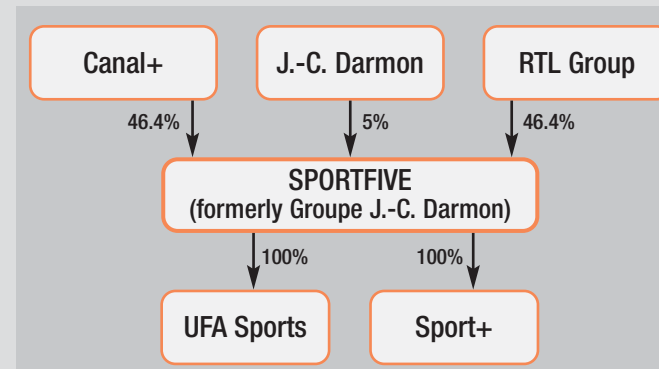
Most of the French first and second division clubs represented by the group have renewed their contracts, some until 2010. Its main international contract, with the African Football Confederation, was also renewed and will be in place until the end of 2008.

SPORTFIVE story

Before the merger



After the merger



tuning into growth

radio



In spite of intense competition from new and established media, more and more people across Europe are tuning in to their favourite stations for music, information and entertainment.

Audience surveys confirm that radio is as popular as ever. Its freshness, accessibility and friendliness appeal to listeners from all demographic groups. Radio stations build strong and enduring relationships with their listeners, and often play a prominent role in their communities by organising concerts and charitable events. Deregulation of Europe's radio markets in recent years has encouraged competition and helped to build audiences, particularly in the younger adult age groups so sought after by advertisers. Our interests in radio continued to grow in 2001, in spite of the unfavourable advertising climate. During the year our stations enhanced their programming, launched new services, and acquired additional FM and Digital

Audio Broadcasting (DAB) licences. Indeed, the tougher conditions have prompted our radio businesses to work even more closely with each other and with their television counterparts.

Many of the stations in our portfolio improved their audience share while our flagship holding, RTL Radio in France, recovered after the setbacks of the previous year. In 2001 and early 2002 we refocused our portfolio, selling our non-core holdings in Atlantic 252, the two Stockholm stations and Klassik Radio in Germany. We acquired a minority stake in a German local radio station, Radio 96. Following this restructuring, we have interests in 17 radio stations in five European countries.



Tribute

Pierre Billaud

2001 was also a year of great emotion and sadness for RTL with the death of Pierre Billaud, a dedicated radio journalist who was killed while working for the company in Afghanistan. He will be remembered with respect and affection by his colleagues.

France	Germany		Luxembourg	Belgium	The Netherlands	Sweden	United Kingdom
RTL: 100%	104.6 RTL: 100%	Radio Hamburg: 29.2%	RTL Radio Lëtzebuerg: 100%	Bel RTL: 43%	Yorin FM: 100%	104.7 RTL: 49% (sold in January 2002)	Atlantic 252: 80% (sold in October 2001)
RTL 2: 100%	Berliner Rundfunk: 30%	Radio 96: 25.1%		Radio Contact: 35%		WOW 105.5: 100% (sold in January 2002)	
Fun Radio: 100%	Radio NRW: 16.1%	RTL Radio – Die Grössten Oldies: 100%					
Sud Radio: 20%	Antenne Bayern: 16%	Radio 21: 9.8%					
		FM Radio Network: 51%					



- Recovery at RTL.
- Exceptional performance at Fun Radio.
- Further integration of the French radio family.

Radio France

After two years of outstanding growth, France's advertising market fell back in 2001 by around 6%. Radio suffered more than most media, with a fall of 8.5% (net-source: IREP), which cancelled out the growth achieved in the previous year. As well as sharp reductions in tele-com and dotcom advertising, the uncertain economic climate caused major food, toiletries, beverages, transport and detergent advertisers to reduce their advertising spend. Our French radio stations suffered a fall in turnover as a consequence, which was aggravated by the audience decline at RTL in the last quarter of 2000. However, our French radio family demonstrated its resilience:

RTL fought back strongly to recover part of the lost ground, while RTL 2 increased its turnover and Fun Radio performed outstandingly well. Synergies within the family, particularly between RTL 2 and RTL and between Fun Radio and M6, also improved our situation. The acquisition of a 20% stake in Sud Radio, a generalist format radio transmitting in the south of France, is complementary to the current technical reach of our Group in France. Firm action at RTL, combined with centralised general management and administration of our French radio businesses, helped to see us successfully through a challenging year.

RTL

This was a year of recovery and renewal for RTL, France's number one radio station. A new management team under Robin Leproux successfully implemented an action plan to relaunch RTL's programming and improve the station's reputation. The French press and listening public responded favourably and RTL was soon back on track. The return of Philippe Bouvard and his famous team in *Les Grosses Têtes* (*The Big Heads*) in January was the turning point. New programme ideas, such as the introduction of Laurent Gerra's humour in the mornings,

RTL





were also well received. RTL enriched its entertainment programming with such successes as the game show *Quitte ou Double (Double or Quits)* and *Ca Peut Vous Arriver (This Could Happen to You)*. It has been able to attract several highly regarded programme hosts – according to one survey, RTL has six of the ten most popular hosts of the French Radio Scene.

News remains central to RTL's programming.

Several famous French journalists and commentators joined the team, including Ruth Elkrief, Alain Duhamel, Emmanuel Chain and Anne Sinclair. RTL enhanced its coverage of culture by launching a new morning show, and also strengthened its sport programming by hiring one of the best known voices in football, Eugène Saccomano, and signing an exclusive partnership with the French national team.

A vigorous television, press and poster campaign helped to ensure that the public was aware of programme changes. The campaign stressed RTL's traditional values of solidarity, closeness and conviviality – encapsulated in the successful slogan *RTL Vivre Ensemble (RTL Living Together)*. Audience share for the year was 13.3%, down on the previous year but a considerable improvement

on the lowest share recorded at the very beginning of 2001 after the programming changes in 2000. RTL remains the clear leader in French radio, more than 40% ahead of its nearest competitor. The audience losses of the previous year inevitably impacted on turnover, and in 2001 RTL's share of radio advertising dropped back from 25.3% to 21.9%.





RTL 2

RTL 2 has firmly established itself in the French radio marketplace with its Pop-Rock sound. It has formed partnerships with many leading performers, such as Mark Knopfler, Tracy Chapman, Zucchero and Gerald de Palmas. The transfer of the presenter Francis Zegut from RTL to RTL 2 in September demonstrated the station's commitment to creating new programmes and to enhancing cooperation with RTL. In autumn 2001 it launched a new grid combining musical programming during the day and entertainment programmes

in the early morning and evening. In the face of strong competition, RTL 2 achieved small increases in both advertising and audience market shares. Between September and October it registered a record share of 3.2%.

Fun Radio

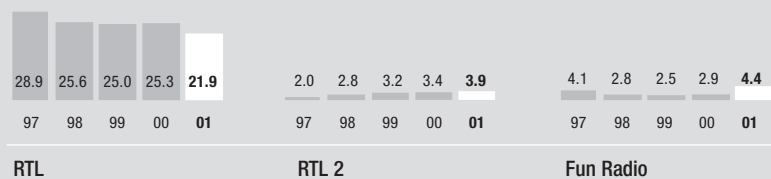
2001 was a remarkable year for Fun Radio. It dramatically increased its turnover – audience share improved from 3.5% to 4.5% and its share of radio advertising rose by more than 50% from 2.9% to 4.4%.

Fun Radio is winning listeners with its popular mix of Groove and Dance music, entertainment programmes, 'Fun' spirit and personality presenters – Arthur, its star, is France's favourite radio presenter according to one survey. During 2001, Fun Radio signed several new artist partnerships for the French and international markets. Audiences were boosted by a partnership with M6 where viewers of M6's *Loft Story* and *Popstar* could tune into Fun Radio to catch up on gossip and hear news on developments in these popular reality shows.



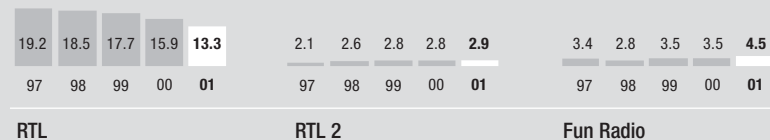
Advertising share 1997/2001 (%)

Source: Secodip



Audience share 1997/2001 (%)

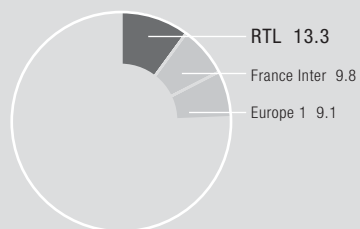
Source: Mediamétrie
15+



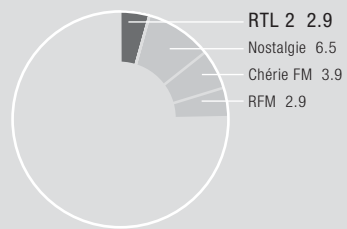
National audience breakdown (%) - 2001

Source: Mediamétrie
15+

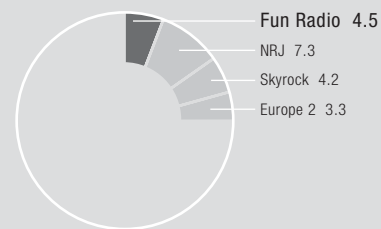
General interest radio networks



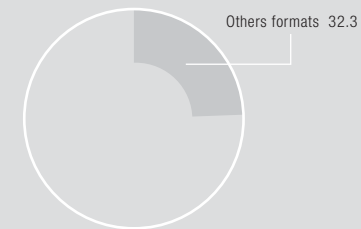
Music radio networks targeting adults



Music radio networks targeting young listeners



Other formats



Radio Germany



- Positive results in key regional markets.
- Initiatives to improve technical coverage.

After several years of growth, Germany's radio advertising market went into reverse in 2001, declining by 10.5% (gross-source: Nielsen S&P).

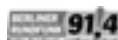
However, our radio interests put in a positive performance and several key holdings, notably 104.6 RTL in Berlin, improved their position. Because of constraints on media ownership in Germany, most of our investments are minority holdings in regional radio stations in Berlin, North Rhine-Westphalia, Bavaria and Hamburg.

We have a small interest in Radio 21, launched in 2000, which has already established itself as the country's most successful rock music radio station with 354,000 listeners on average per day. In July 2001 we disposed of our 8.1% stake in the classical

music station, Klassik Radio, as part of our strategy to focus on core holdings.

Several of the stations in our portfolio are planning to expand or improve their technical coverage. In October, 104.6 RTL applied for 11 radio frequencies in Brandenburg and five frequencies in Baden-Württemberg with a combined technical reach of two million people. We acquired a 25.1% stake in the Baden-Württemberg radio station Radio 96. In a joint venture with the television station VIVA, Radio NRW has successfully applied for AM frequencies in North Rhine-Westphalia for a service due to start in 2002. Digital Audio Broadcasting (DAB) frequencies have been awarded to 104.6 RTL Berlin and RTL Radio – Die Grössten Oldies.

The German stations are active in their local communities, supporting charitable causes and organising popular listener events. Antenne Bayern's Band on Tour concerts were enjoyed by 75,000 Bavarians, and the station's summer party was Bavaria's biggest family event in 2001. Radio Hamburg held its thirteenth Easter Hit Marathon: some 20,000 fans enjoyed the final free-of-charge concert in the city centre. 104.6 RTL also gave away tickets to its highly successful Stars for Free event, while a large audience came to hear bands from the 1970s and 1980s at Berliner Rundfunk's two open-air Oldie Night concerts. RTL Radio – Die Grössten Oldies is a partner in no less than eight 'oldie festivals' across Germany.



Berlin

Although Berlin is Germany's most competitive radio market with no fewer than 26 FM stations, two have emerged to dominate the market – 104.6 RTL and its main competitor 94.3 r.s.2. The two stations together account for 40% of radio advertising revenue.

104.6 RTL had the most successful year in its 10-year history, establishing itself as market leader in all key target groups in the Berlin core market.

It increased its overall audience share from 13.4% to 16.0% in this market, ahead of 94.3 r.s.2 which has a 15% share, and achieved a 11% audience share in the Berlin-Brandenburg market.

In spite of a decline of 10.5% in the Berlin radio advertising market, the station increased its turnover significantly and raised its share by more than four percentage points to 18.9%.

We also hold a stake in a second Berlin music station, Berliner Rundfunk, which in August relaunched with a new morning show host and a major promotion campaign. Although its audience share decreased during the year, its share of radio advertising remained at 13.0%.

North Rhine-Westphalia

Radio NRW has long been the market leader in the German private radio sector, drawing large audiences with its attractive format of magazine programming and Adult Contemporary music.

It also provides programming to 44 local stations in North Rhine-Westphalia, the country's most densely populated federal state. The station remained well ahead of its nearest competitor, and according to recent media analysis it has as many listeners as its two main competitors combined. Its share of the radio advertising market showed a strong increase from 42.7% to 45.8%.

Bavaria

Antenne Bayern has a powerful position in the Bavarian radio advertising market with a 49.6% share. For Antenne Bayern close business to business relationships are very important. Events for advertisers and agencies represent an ideal platform to intensify the client relationships. Last year, Antenne Bayern launched a major marketing campaign, aimed at establishing itself as a leading entertainment brand in Bavaria. In its target audience (age 14-49), Antenne Bayern is the most successful radio station in Bavaria with a share of 37.4%.

Hamburg

Radio Hamburg celebrated its fifteenth anniversary by increasing its audience share from 22.6% to 24.0%. It has a large lead over its nearest competitor, which has just 6.4%. Radio Hamburg has been the undisputed number one in Hamburg's radio market since 1993 and has nearly 1.9 million listeners each day.

RTL Radio–Die Grössten Oldies

RTL Radio – Die Grössten Oldies was once again the most listened-to private radio station in Germany, attracting an average audience of over 6.5 million over two weeks. It has achieved some significant ratings improvements, notably for its daytime programming where listening per hour has increased by 30.1%. It has promotional partnerships with RTL Television and RTL SHOP.

Syndication

The leader in German-speaking syndication, FM Radio Network provides infotainment, lifestyle, entertainment and sport formats to more than 100 stations. Its programmes reached an average of over 10 million listeners each day – an increase of more than one million on the previous year. In 2001 the network established a cooperation arrangement with one of our German television channels, RTL II.

Public/Private broadcasters market audience share 2001

Source: MA 2001



Audience share 1997/2001 (%)

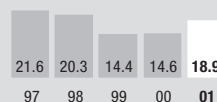
Source: MA 2001
14+



104.6 RTL

Advertising share 1997/2001 (%)

Source: Nielsen S+P



104.6 RTL



- Strong performance in Belgium and Luxembourg.
- Favourable response to name change in the Netherlands.
- Disposal of non-core holdings in Sweden and the UK.

Radio Benelux, Sweden and the UK

The Belgian radio advertising market continued to grow, up by 5.6% in 2001 (gross-CMI-MDB), despite the adverse economic conditions. The radio sector in the Netherlands was down by 5.3% (gross-source: BBC), with Luxembourg up by 17.7% (gross-source: Publinvest).

With the sale of our holdings in Atlantic 252, 104.7 RTL and WOW 105.5, we are no longer present in the UK and Swedish radio markets.

Luxembourg

RTL Radio Lëtzebuerg maintained its dominant position in the Luxembourg radio market. It has a 76% audience share and in spite of revitalised competition increased its already large lead. The station has improved its performance in the peak time slots and now reaches almost four out of five listeners in the mornings.

Belgium

Bel RTL celebrated its tenth anniversary in September with a series of special radio and television programmes, supported by a multimedia advertising campaign, although the first general interest station was quick to adapt its schedules to cover the terrorist attacks of 11 September.

The last listening surveys confirmed its leadership of the French community radio market, a position it shares with Radio Contact. Bel RTL reached a record audience share of 22.2% (wave 24) and advertising revenue increased by 4%. Radio Contact also performed solidly with an audience share of 22.0%. Contact 2, its second service launched in 1999, confirmed its success with an audience share of 4.4% – 30 transmitters have now been deployed to cover the French community territories. Radio Contact is the only radio service offering a homogeneous commercial product across the whole of the country with its two musical programmes: Contact, and since 2001 in Flanders, Contact 2, which has also been deployed to cover the whole Flemish territories.



The Netherlands

2001 was an eventful and positive year for our radio station in the Netherlands, which changed its name from Veronica FM to Yorin FM in April. As for our television channel, the rebranding was necessitated by the Veronica Group's decision in 2000 to exit our television and radio business, Holland Media Group. A carefully planned media campaign ensured that the name change was accomplished successfully – research showed that 85% of the Dutch population knew the station's new name within a week. Advertisers responded favourably: revenue increased in 2001 and the station's share of radio advertising rose from 5.2% to 5.9%. Discussions continued with the Dutch Government about the nature and timing of the redistribution of commercial radio frequencies. Yorin FM has been urging prompt action, as its 35% technical reach is a major constraint on its ability to grow audiences and compete effectively with other FM stations. A decision regarding this redistribution had not been reached by the end of 2001.

Sweden

In 2001 we had interests in two Swedish radio stations – 49% of 104.7 RTL and 100% of WOW 105.5. Both radio stations are based in Stockholm and broadcast Adult Contemporary music. 104.7 RTL has 141,000 listeners, and WOW 105.5 has 42,000 listeners. The stations were loss-making and in January 2002 RTL Group announced its intention to sell its interests in both stations to the Modern Times Group.

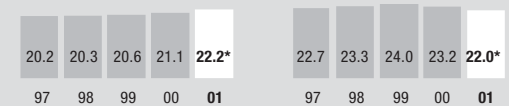
UK and Ireland

RTL Group sold its 80% interest in the rhythm-and-dance music station Atlantic 252 in October, to Teamtalk. The loss-making station, which broadcasts on long wave, had been losing listeners for several years and by 2000 had an adult reach of just 1.1% and a 0.8% share of the radio advertising market.



Audience share 1997/2001 (%) South of Belgium

Source: Radiométrie
12+



Bel RTL
*Only wave 24

Radio Contact

Audience share 1997/2001 (%) The Netherlands

Source: Intomart
20-34



Yorin FM

**bringing the power
of our brands to the internet**

new media



In 2001 we continued to build a formidable online presence. With more than 90 branded web sites, including some of Europe's most popular internet destinations, we have established ourselves as a leader in online entertainment.

As a broadcasting group, we have a powerful advantage.

Cross promotion via our television, content and radio brands drives internet users to our web sites.

Moreover, synergies with our content businesses allow us to maintain exceptionally high editorial and production standards cost-effectively.

From the outset we have pursued a cautious investment policy in the new media marketplace. This was vindicated in 2001, a difficult year in which internet business models were severely tested. Our ventures came through the difficulties well. However, delays in the roll-out of broadband, cable and third generation mobile platforms in Europe have acted as a brake on new media development, and in 2001 we took firm measures to reduce our cost base.

As a result, we are well placed to capitalise on promising opportunities as they emerge.



Worldwide

FremantleMedia
Enterprises: 100%

Germany

RTL NEWMEDIA: 100%

France

RTL NET: 100%
IPI: 100%
M6 Web: 45.2%

The Netherlands

RTL iMedia: 100%

New media

A European leader

- Continuing growth in web traffic.
- An expanding European network.
- Tight control over costs.

Traffic on our web sites has increased dramatically in recent years. Although the rate of growth slowed in 2001, page impressions per month rose by nearly 65% from 237 million in December 2000 to 391 million in December 2001 (Table 1).

Page impressions peaked in May when French viewers of M6's *Loft Story* logged on to the web site to follow the unfolding drama. *Loft Story* accounted for almost 80% of M6 Web's traffic during the month and demonstrated the powerful interaction between television and the internet.

In December 2001, the number of unique visitors per month accessing our web sites reached approximately 4.7 million, the highest of any European free TV broadcaster (Table 2).

In line with all European new media businesses, we were affected by the downturn in 2001 and revenue growth at our operations was lower than expected. However, tight control of costs meant that we met our earnings targets. We are now focusing on the development of new sources of revenue such as pay for content.

This includes information services such as Formula 1 news and weather news which we have already distributed via billed SMS (Short Messaging Service) services. Only one third of our new media segment's revenues are from online activities.

Our online network

Our web sites are amongst the most popular in Europe. In France, M6 Web was the top media site in 2001. On average, according to Jupiter MMXI, 1.1 million unique visitors consult www.m6.fr or one of its associated thematic sites each month. The M6 group is highly innovative and is using the internet to develop the interaction with its television programmes. Our French radio stations including RTL have combined their online interests into RTL NET. A similar integrated new media division has been formed in the Netherlands – RTL iMedia. In Belgium, the UK and elsewhere, our television and radio interests have developed attractive web presences. RTL Klub Online in Hungary has established itself as one of the country's top sites after just one year.

Online advertising is handled by IP-WEB.NET, our pan-European new media sales network. It has a high reputation for its expertise and effectiveness, and is winning business from major third party clients such as Canal Numédia in France.

FremantleMedia Enterprises is an important player in the UK and internationally through its Fremantle Interactive division. In 2001 it scored its first cross-media convergence success with *Pop Idol*, for which it developed a programme support web site. This allowed contestants to register online, while viewers could vote for their favourite singer and find out the latest developments via their PCs or mobile phones. Fremantle Interactive also developed and launched online games in Germany, the UK and France based on classic game show formats such as *Family Feud*.

RTL NEWMEDIA

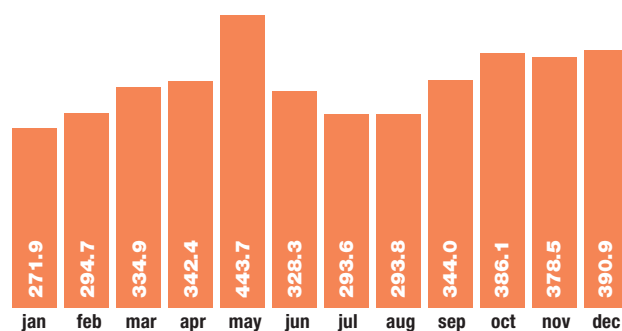
Germany is our largest new media market and RTL NEWMEDIA accounts for 70% of our new media revenues. RTL Television has substantial digital and internet interests, which have been merged into RTL NEWMEDIA to form a powerful



business which is the market leader in Germany's general interest segment.

Two further businesses were integrated into RTL NEWMEDIA during the year: Bertelsmann Broadband Group, acquired in March, and Bertelsmann's Game Channel, acquired in January. The portal RTL WORLD is the most popular of all RTL Group's web interests. In 2001 it attracted no fewer than 2.8 billion page impressions, an increase of 160% on the previous year.

**Table 1 - Page impressions per month
in million - year 2001**



Who Wants To Be A Millionaire? has been a huge online success in Germany: three variations of the quiz show were offered on www.rtl.de.

The Grand IQ Test was another hit with over 100,000 internet users testing their intelligence in parallel to the television show.

Rtl.de also demonstrated the potential of online news services. After the September 11 terrorist attacks, news reports from RTL Group sources were made available via the net using video on demand. Almost 900,000 video streams were delivered in September.

RTL NEWMEDIA is developing innovative mobile services. German mobile phone users can now obtain the latest sport, news and weather forecasts via SMS technology for a small fee. And a new teletext service is now available, allowing text messagers to communicate with each other using SMS and the text pages of RTL Television. RTL NEWMEDIA is also active in the merchandising business with RTL Enterprises, which in 2001 had several major music CD and game successes.

Viventures

RTL Group holds a two-stage investment in Viventures, the internet and technology venture capital fund.

The first investment of €7.6 million, made when the fund was established in 1998, was amortized for €3.9 million on 29 June 2000 and was fully reimbursed on 29 June 2001. A commitment to further investment of €30 million in Viventures 2 was also made. However only 10% was paid up at 31 December 2001 enabling Viventures 2 and therefore RTL Group to avoid heavy exposure to the sharp fall of internet and technology companies.

**Table 2 - European broadcasting groups - Unique visitors
in million - in December 2001**

RTL Group Sites	approx. 4.65
BBC Sites	3.42
ProSieben/Sat1 Online Network	1.61
Groupe TF1 Sites	1.37
ZDF Global Sites	0.55
Channel 4 Sites	0.46

Source: Jupiter MMX1 12/2001

Supporting our communities

Our television, content, radio and new media businesses are active supporters of charitable causes, organising fundraising events and promotional opportunities that generate very substantial sums. In times of crisis broadcasters have a special responsibility to give voice to the concerns of their communities. In the aftermath of the terrible events of 11 September, we were determined to express our solidarity and sympathy with the victims of the terrorist outrages and their families, on behalf of both our audiences and our employees. We formed a joint initiative with Bertelsmann and Gruner + Jahr to mount a fundraising drive with the theme For Freedom and Compassion – Against Hate and Terrorism. We gave airtime on our television and radio stations across Europe while our partners in the initiative donated space in their newspapers and publications. Some 40 million people saw our German TV announcements, and more than 11,000 people posted their thoughts on the online forum. The public responded generously to the appeal, and in January a \$1 million cheque was presented to the Families of Freedom Scholarship Fund.

Charitable donations

The Freedom and Compassion appeal was one of several causes to benefit from RTL Television's annual 24-hour Spendenmarathon. The German station raised a record total of over €5 million in 2001 for children in need around the world.

Many of our television and radio businesses transmit charity and public service announcements free-of-charge or with large discounts. RTL KLUB in Hungary supported nearly 40 causes in this way, ranging from blood donation appeals and drug abuse campaigns to flood victim support and children's charities.

RTL TVI once again organized the Televie charity campaign. Fundraising activities took place throughout Belgium, promoted on television and radio, culminating in a final televised event. Both FremantleMedia and Channel 5 encourage their staff in charitable endeavours for various good causes, not least by matching their fund-raising efforts. For instance, in 2001 Channel 5 staff raised £20,000 in a three month fundraising drive for Action Aid.

UFA Sports (now part of the SPORTFIVE group) has supported RSC Hamburg, a wheelchair basketball team for several years. As well as an annual donation, it makes its expertise available to help the club. Our radio stations are highly effective fundraisers. Radio NRW held its Lichtblicke event for the fourth consecutive year, raising more than €500,000 for needy families and children in North Rhine-Westphalia. RTL in France collected €108,000 in its appeal for children in hospital.

... and our people

Through the European Works Council (EWC), and its elected staff representatives, RTL Group's employees have a forum in which crossborder employment issues can be raised and discussed with senior management.

The EWC was formed by a voluntary agreement to represent CLT-UFA employees in 1996. Since the formation of RTL Group, the EWC has extended its access and influence.

Regular meetings provide them a link with the company's decision-makers and extraordinary meetings are also convened in certain circumstances where quick consultation is desirable.

Professional education

Several companies in our Group sponsor academic and professional education programmes. RTL TVI in Belgium collaborated with the Catholic University of Louvain-La-Neuve in 2001 to establish a Chair of Journalism.

From its UK headquarters, FremantleMedia also encourages and funds training initiatives within the industry, for instance as the principal donor to a bursary at the National Film and Television School in the name of the late Richard Dunn, who was Chief Executive of Thames Television.

In Germany FremantleMedia also contributes to education and employment plans through UFA Film & TV Produktion, teamWorx and Grundy UFA. All these subsidiaries gave substantial financial support to help fund projects and workgroups in such areas as media convergence and scriptwriting.

Corporate governance

The Board of RTL Group recognises the importance of, and is committed to, high standards of corporate governance.

The principles of good governance adopted by RTL Group have been applied in the following way.

On 31 December 2001, the Board of RTL Group had 13 members⁽¹⁾, two executive directors⁽²⁾, and 11 non-executive directors⁽³⁾. The biographical details of the directors are set out on pages 54 to 55. Three of the non-executive directors, the Chairman, Juan Abelló, Martin Taylor and Onno Ruding, are independent of management and other outside interests that might interfere with the exercise of their independent judgement. The remaining eight non-executive directors⁽⁴⁾ are representatives of RTL Group's major shareholders. To ensure independence such directors are prohibited from participating in discussions or a vote relating to any transaction between RTL Group or any of its subsidiaries and the shareholder which appointed them. The Internal Regulations and Governance (IRG) adopted by the Board following the Merger with Pearson Television and CLT-UFA in July 2000 set out the Company's procedures for ensuring good corporate governance.

Under the IRG the responsibility for day to day management of the Company is delegated to the CEO but the Board, which meets at least once every three months, has a formal schedule of matters reserved to it including approval of the annual overall Group budget, significant acquisitions and disposals and of the Group's financial statements. The IRG also provides for the establishment of a number of Board committees.

Permanent Committee

The Permanent Committee comprises seven non-executive directors, one of whom is an independent non-executive director. The CEO is required to consult with the Permanent Committee in respect of certain matters including the strategic development of the Group, the annual Group budget or any part of the Group's business with a turnover in excess of €100 million, major investments in new or existing businesses and certain disposals or other transactions which impact the Group's balance sheet. The Permanent Committee must also give its prior consent to any exercise of certain voting and other rights in entities in which the Group has more than a 20% interest.

Nomination and Compensation Committee

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

Audit Committee

The Audit Committee is made up of three 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 CEO, the CFO, the Head of Corporate Audit and the external auditors. The Committee also organises restricted meetings with the Head of Corporate Audit with or without the external auditors. The Committee reviews the overall risk management and control environment, financial reporting and standards of business conduct. The Head of Corporate Audit and the external auditors have direct access to the Chairman of the Audit Committee.

1) 12 since the resignation of Mrs Marjorie Scardino and Mr John Makinson on 31 January 2002 and the appointment (subject to the shareholders' approval) of Mr Rolf Schmidt-Holtz as non-executive director on 1 March 2002

2) 1 since the departure of Mr Ewald Walgenbach to Bertelsmann on 6 February 2002 who remains as a non-executive director

3) 10 since the resignation of Mrs Marjorie Scardino and Mr John Makinson on 31 January 2002 and the appointment (subject to the shareholders' approval) of Mr Rolf Schmidt-Holtz on 1 March 2002

4) remains 8, with the resignation of Mrs Marjorie Scardino and Mr John Makinson on 31 January 2002, the transfer of Mr Ewald Walgenbach from executive director to non-executive director on 6 February 2002 and the appointment (subject to the shareholders' approval) of Mr Rolf Schmidt-Holtz on 1 March 2002



2001 Group management

Board of Directors

Executive Directors

Didier Bellens

Chief Executive Officer

Didier Bellens was, until 1992, Deputy General Manager of Pargesa Holding SA in Geneva. In September 1992, he joined Groupe Bruxelles Lambert SA as Managing Director and, in March 2000, he was appointed Chief Executive Officer of CLT-UFA before becoming Chief Executive Officer of RTL Group. He is also a director of several companies in Belgium, France and Luxembourg.

Ewald Walgenbach*

Chief Operating Officer

Ewald Walgenbach was, prior to joining Bertelsmann AG as Head of Strategic Development in 1994, General Manager of Boston Consulting Group in Düsseldorf, Germany.

In 1995 he left Bertelsmann AG headquarters, to take on the role of Managing Director of UFA Film & Fernsehen GmbH.

Following the merger between CLT and UFA in 1997, he was appointed Executive Vice President of Television, Production and Rights of CLT-UFA.

In March 2000, he was appointed Chief Operating Officer of CLT-UFA, and then kept the same function at RTL Group.

Independent non-executive Directors

Juan Abelló⁽¹⁾

Chairman

Juan Abelló is currently chairman of Torreal SA, Alcaliber SA, Inversiones Ibersuizas SA.

He is also a member of the board of Televisa Group.

Onno Ruding ⁽²⁾

Onno Ruding was Minister of Finance of the Netherlands from 1982 to 1989 and is currently Vice Chairman of Citibank, Brussels.

Martin Taylor ^{(2) (3)}

Martin Taylor was Chief Executive of Barclays plc from 1993 to 1998. Since 1999 he has been Chairman of W. H. Smith Group plc and internal advisor of Goldman Sachs International.

Shareholder representative non-executive Directors

André Desmarais ⁽¹⁾ ⁽³⁾

(GBL/Electrafina) (resigned on 27 July 2001)

Jocelyn Lefebvre

(GBL/Electrafina) (appointed in replacement of André Desmarais)

Gérald Frère

(GBL/Electrafina)

Siegfried Luther ⁽¹⁾ ⁽²⁾

(BWTv)

John Makinson ⁽¹⁾

(Pearson) (resigned on 31 January 2002)

Thomas Middelhoff ⁽¹⁾ ⁽³⁾

(BWTv)

Gilles Samyn ⁽¹⁾ ⁽³⁾

(GBL/Electrafina)

Marjorie Scardino ⁽¹⁾ ⁽³⁾

(Pearson) (resigned on 31 January 2002)

Rolf Schmidt-Holtz

(BWTv) (appointed on 1 March 2002 in replacement of Marjorie Scardino)

Erich Schumann

(BWTv)

Ewald Walgenbach

(BWTv) (appointed on 6 February 2002)

Management Board**

Members of the Board

Didier Bellens

Chief Executive Officer

Ewald Walgenbach*

Chief Operating Officer

Bruno Chauvat

Managing Director

Bruno Chauvat started his career as a financial analyst in 1983 covering the media industry.

He held several positions in the banking industry and media companies before joining UBS in 1994 as co-head of European media research.

In 1997, he subsequently joined Audiofina as Chief Executive Officer before becoming Managing Director of RTL Group in July 2000.

Jean-Charles De Keyser

Executive Vice President TV & Radio

Jean-Charles De Keyser contributed to building the RTL television and radio stations in Belgium from the early 1980s, first as a journalist then as Chief Executive.

He became Executive Vice President TV non-German speaking territories of CLT-UFA at the end of 1999, and took over the additional responsibility for the radio broadcasting operations in April 2000.

Thomas Rabe

Chief Financial Officer

Thomas Rabe joined the European Commission in 1989. After working for Forrester Norall and Sutton (White and Case) in Brussels, a privatisation agency in East Germany, a private equity fund involving an association of private German banks and Cedel International/Clearstream International (where he was Chief Financial Officer), he joined RTL Group in 2000.

Deputy members of the Board

Roy Addison

Director of Corporate Communications

Vincent de Dorlodot

General Counsel

Romain Mannelli

Vice President Human Resources

André Stiens

Vice President Internal Audit Group

Johannes Züll

Senior Vice President Internet
& New Technologies

(resigned on 6 February 2002)

(1) Members of the Permanent Committee.

(2) Members of the Audit Committee.

(3) Members of the Nomination
and Compensation Committee.

* resigned as COO of RTL Group on 6 February 2002 and appointed as from that date as non-executive director

** replaced on 6 February 2002 by Executive Committee made up of 3 members:
Didier Bellens, Chief Executive Officer
Bruno Chauvat, Chief Strategy Officer
Thomas Rabe, Chief Financial Officer

section II**Directors' report, Auditors' report and Consolidated financial statements
for the year ended 31 December 2001****INDEX**

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Directors' report

Executive Directors

Didier Bellens (Chief Executive Officer)

Richard Eyre (Director of Strategy and Content),
resigned 31 March 2001

Dr. Ewald Walgenbach (Chief Operating Officer),
resigned 6 February 2002

Independent Non-Executive Directors

Juan Abéllo Galló (Chairman)

Martin Taylor

Dr. Onno Ruding

Shareholder Representative Non-Executive Directors

André Desmarais, resigned 27 July 2001

Gérald Frère

Jocelyn Lefebvre, appointed 27 July 2001

Dr. Siegfried Luther

John Makinson, resigned 31 January 2002

Dr. Thomas Middelhoff

Gilles Samyn

Ms. Marjorie Scardino, resigned 31 January 2002

Rolf Schmidt Holtz, appointed 1 March 2002

Erich Schuman

Dr. Ewald Walgenbach, appointed 6 February 2002

Highlights

The results for the year reflect the general deterioration in global advertising markets, especially in the second half of the year.

The US, followed by the UK and the Netherlands, were the first markets to be affected whilst the main European markets of Germany and France remained largely untouched in the first half of 2001. However, in the latter half of the year, advertising conditions in these markets sharply deteriorated thus matching the declines already being experienced elsewhere.

In 2001 RTL Group focused on integrating the businesses acquired in 2000 as well as implementing measures to counter the advertising downturn and reviewing its portfolio of assets.

This review has resulted in either the disposal or closure of non-core, or under performing assets. We will continue with this exercise in 2002.

RTL Group entered into a joint venture with Canal+ in the sports rights field with the creation of Sportfive and has made some acquisitions in the content sector to strengthen geographical presence and to acquire attractive formats. The shareholding structure of RTL Group significantly changed in 2001. Bertelsmann is now, directly and indirectly, the single most important shareholder, following the share swap with GBL and, at the end of the year, the purchase of Pearson plc's stake in RTL Group. Pro forma financial information has been provided for the year ended 31 December 2000 to aid the comparison of the performance of the Group between 2000 and 2001. The unaudited pro forma financial information has been prepared on the basis set out on page 77 using consistent Group accounting policies. Because of their nature, such information may not give a true presentation of the results and cash flows of the Group that would have been reported if the combination had occurred on the 1 January 2000.

Financial Highlights

In EUR million

	Year to December 2001	Year to December 2000 (pro forma unaudited)	Per cent Change
Revenue	4,054	4,044	+0.2%
Adjusted EBITA	361	555	-35.0%
Restructuring costs	(36)	-	n.a.
Non-recurring items	(27)	-	n.a.
Start up losses	(22)	-	n.a.
Reported EBITA	276	555	-50.3%
Adjusted EBITA margin (%)	+8.9%	+13.7%	n.a.
Reported EBITA margin (%)	+6.8%	+13.7%	n.a.
Amortisation and impairment of goodwill	(2,840)	(317)	n.a.
Profit / (loss) before taxes	(2,424)	293	n.a.
Profit / (loss) from ordinary activities	(2,491)	75	n.a.
Net profit for the year pre goodwill impairment	74	67	+10.4%
Net profit / (loss) for the year	(2,499)	67	n.a.
Earnings per share (basic) in EUR	(16.27)	0.43	n.a.
Adjusted earnings per share (basic) in EUR	0.90	1.91	-52.9%

* Adjusted earnings per share represents the net profit for the year adjusted for amortisation and impairment of goodwill and gain or loss from sale of subsidiaries, joint ventures and other investments, net of income tax expense.

Revenue

Despite the downturn of global advertising markets, with some of the steepest declines on record, revenue rose slightly to EUR 4,054 million (2000: EUR 4,044 million). RTL Group is heavily dependent on advertising revenues either directly through holdings in television and radio stations, which account for 63 per cent of total revenue. The content division is not immediately affected by any downturn in advertising markets due to the nature of existing contractual arrangements and other broadcaster commitments. This lag has helped offset the declines in advertising markets seen in all our major markets. Underlying revenue growth, stripping out the effects of portfolio changes (mainly M6, Talkback, and changes in consolidation scope), was -1.1 per cent. The underlying segmental revenue growth was -2.4 per cent for television, -12.7 per cent for radio and +6.8 per cent for content.

Revenue

<i>In EUR million</i>	Year to December 2001	Year to December 2000 (pro forma unaudited)	Per cent Change
Television	2,866	2,862	+0.1%
Content	1,148	1,090	+5.3%
Radio	213	244	-12.7%
New Media	91	38	+139.5%
Other	64	101	-36.6%
Eliminations	(328)	(291)	+12.7%
Total	4,054	4,044	+0.2%

EBITA

In EUR million

	Television	Content	Radio	New Media	Other	Eliminations	Total
Reported 2001	297	48	26	(55)	(40)	-	276
Restructuring costs	-	23	8	-	5	-	36
Non recurring items	8	9	-	10	-	-	27
Start up losses	22	-	-	-	-	-	22
Adjusted 2001	327	80	34	(45)	(35)	-	361
Reported 2000 ⁽¹⁾	408	126	75	(37)	(9)	(8)	555
EBITA margin (%)							
Reported 2001	10.4	4.2	12.2	-	-	-	6.8
Adjusted 2001	11.4	7.0	16.0	-	-	-	8.9
Reported 2000 ⁽¹⁾	14.3	11.6	30.7	-	-	-	13.7

(1) Pro forma unaudited figures

EBITA

EBITA has been affected by the combination of restructuring and other non-recurring costs and increased investments. Throughout 2001, RTL Group continued to invest in high quality programming as this has been shown to build audience share and brand and extend market leadership.

The success of this strategy is reflected in the audience share and share of advertising revenue of RTL Group's television and radio broadcasters, with significant increases in the two core markets, Germany and France.

As a result of the factors mentioned above, reported EBITA was EUR 276 million (2000: EUR 555 million). Adjusted EBITA, which strips out the one-off effects of the restructuring of the Fremantle US business, RTL Radio in France and the corporate centre, non-recurring items relating to RTL7 in Poland, Bertelsmann Broadband Group and FremantleMedia as well as start up losses in RTL Shop, was EUR 361 million.

RTL Group's operating expenses increased to EUR 3,878 million from EUR 3,623 million, up 7.0 per cent, due primarily to scope changes, restructuring and one-off costs, increased New Media investment and the launch of RTL Shop in Germany. Stripping out these effects, operating expenses increased by approximately 1 per cent.

Cost control measures have been implemented including significant reductions in corporate centre costs. The net debt position at the end of 2001 was EUR 645 million while the net debt position at the end of 2000 was EUR 681 million. Operating cash conversion, which measures the extent that EBITA is converted into operating cashflow, was more than 100 per cent.

Earnings per share were EUR (16.27) (2000: EUR 0.43) and adjusted earnings per share were EUR 0.90 (2000: EUR 1.91). The proposed final dividend is EUR 0.50 per share.

Review by segment

Television

Despite the decline in the advertising markets, revenue remained relatively stable compared to the previous year.

This reflects the strength of RTL Group's television stations, brands and formats. In most markets RTL Group's stations increased their share of audience and advertising revenue.

Revenue

In EUR million

	Year to December 2001	Year to December 2000 (Pro forma unaudited)	Per cent Change	Per cent of total 2001
Germany	1,713	1,715	-0.1%	59.8%
■ RTL Television/VOX	1,592	1,650	-3.5%	55.6%
■ RTL Shop	32	0	n.a.	1.1%
■ Others	89	65	+36.9%	3.1%
France	433	370	+17.0%	15.1%
■ M6	378	320	+18.1%	13.2%
■ VCF	55	50	+10.0%	1.9%
Holland and Belgium	405	436	-7.1%	14.1%
■ HMG	303	334	-9.3%	10.5%
■ RTL TVi	102	102	0.0%	3.6%
United Kingdom	279	307	-9.1%	9.7%
■ Channel 5	213	234	-9.0%	7.4%
■ London Playout Centre	66	73	-9.6%	2.3%
Others	36	34	+5.9%	1.3%
Total	2,866	2,862	+0.1%	100%
Underlying revenue	2,794	2,862	-2.4%	

EBITA

In EUR million

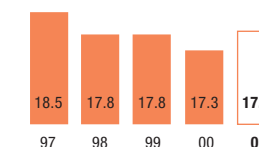
	Year to December 2001	Year to December 2000 (Pro forma unaudited)	Per cent Change	Per cent of total 2001
Germany	232	285	-18.6%	78.1%
■ RTL Television/VOX	230	251	-8.4%	77.4%
■ RTL Shop	(22)	0	n.a.	-7.4%
■ Others	24	34	-29.4%	8.1%
France	82	83	-1.2%	27.6%
■ M6 ⁽¹⁾	78	81	-3.7%	26.3%
■ RTL9	3	1	n.a.	1.0%
■ VCF	1	1	0.0%	0.3%
Holland and Belgium	27	46	-41.3%	9.1%
■ HMG	11	28	-60.7%	3.7%
■ RTL TVi	16	18	-11.1%	5.4%
United Kingdom	(39)	3	n.a.	-13.1%
■ Channel 5	(49)	(6)	n.a.	-16.5%
■ London Playout Centre	10	9	+11.1%	3.4%
Others	(5)	(9)	+44.4%	-1.7%
Total	297	408	-27.2%	100%
Underlying EBITA	312	408	-23.5%	

⁽¹⁾ During the year to December 2001, RTL Group increased its shareholding in M6. Accordingly, part of the year on year growth is attributable to a change in scope.

RTL Television, Audience Share 1997 – 2001

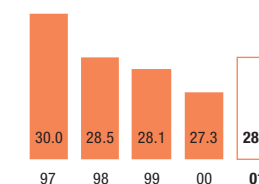
Source: GfK

Target: 14-49



RTL Television, Advertising Share 1997 – 2001

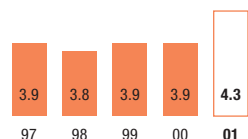
Source: Nielsen S+P



RTL Television, our flagship channel in Germany, was market leader for the ninth consecutive year in the important 14-49 age category with an audience share of 17.9 per cent and was the leader in terms of overall audience share at 14.8 per cent. RTL Television dominated the top 100 list of the most widely viewed broadcasts of the year, with no fewer than 83 entries. In total, RTL Television crossed the 10 million-viewer threshold 80 times during the year – more than all the other channels put together. For the first time in six years, RTL Television increased its share of the German advertising market, to 28.5 per cent, a level that is well ahead of the competition.

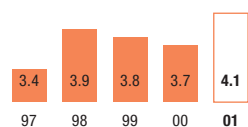
VOX, Audience Share 1997 – 2001

Source: GfK
Target: 14-49



VOX, Advertising Share 1997 – 2001

Source: Nielsen S+P



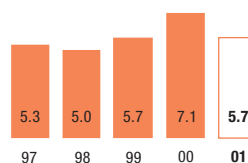
VOX has invested heavily in new programming this year increasing its reputation for finding new talent and formats. The station has focused particularly on movies, series and mini-series such as “Ally McBeal” and “C.S.I”. With access to high quality programming **VOX** has established a strong prime time slot. In 2001, **VOX** achieved its highest market share since launch and, with a highly desirable demographic and age profile, was the only fully controlled station to increase revenue in 2001. **VOX** broke even for the first time, in 2001.

RTL Television / **VOX** revenue decreased by 3.5 per cent to EUR 1,592 million (2000: EUR 1,650 million).

Their contribution to EBITA fell to EUR 230 million (2000: EUR 251 million), down 8.4 per cent from 2000, due to the weak advertising market in the second half of the year.

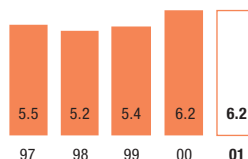
RTL II, Audience Share 1997 – 2001

Source: GfK
Target: 14-49



RTL II, Advertising Share 1997 – 2001

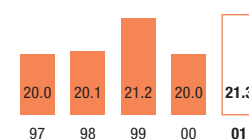
Source: Nielsen S+P



RTL II has continued to focus on a younger target audience through formats like “Big Brother”. One of **RTL II**’s hits during 2001 was “Popstars”, with the launch of two new bands “No Angels” and “Bro’ Sis”. **RTL II** will continue to offer attractive programming in order to strengthen its position as one of the leading broadcasters for the young generation. 2001 was less successful than last year, which benefited from the remarkable success of “Big Brother”, with a share of viewing among the 14-49 age category of 5.7 per cent, down from 7.1 per cent in 2000. The results were also affected by the unsuccessful launch of some new formats, in particular “Big Diet”.

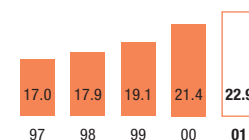
M6, Audience Share 1997 – 2001

Source: Mediamétrie
Target: 15-34



M6, Advertising Share 1997 – 2001

Source: Secodip



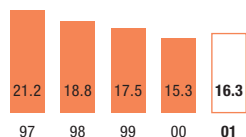
M6 in France maintained its position as the second most popular channel for the 15-34 age category with an audience share of 21.3 per cent. Highlights this year included the launch of the first reality television show in France, the phenomenally successful “Loft Story”, and “Popstars”. Aggressive programming and continued investment in new formats have demonstrated that **M6** is determined to become a mainstream generalist station. **M6** now operates 14 thematic channels (including those offered via TPS) that are either transmitted via cable and/or via satellite (TPS). The joint venture with TF1, TF6, was launched during the year and is already the 7th most popular channel on cable and satellite. **M6** has been able to successfully exploit non-advertising revenues via sales of records, video cassettes, DVD’s, rights acquisition and exploitation, teleshopping and football (through Girondins de Bordeaux). The non-advertising related revenues now account for over one third of total revenue, providing a class-leading example on how to diversify and reduce exposure to the advertising markets.

RTL Group's share of M6's revenue was up 18.1 per cent, including scope changes, an increase in RTL Group's shareholding and significant growth in the diversification of the business, to EUR 378 million (2000: EUR 320 million). RTL Group's share of M6's EBITA fell slightly to EUR 78 million (2000: EUR 81 million), reflecting the continued investment in programming.

RTL 4, Audience Share 1997 – 2001

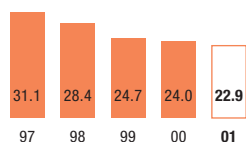
Source: Intomart

Target: 20-49



RTL 4, Advertising Share 1997 – 2001

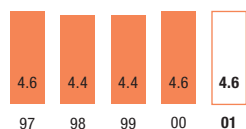
Source: HMI/SOV



RTL 5, Audience Share 1997 – 2001

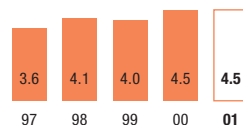
Source: Intomart

Target: 20-49



RTL 5, Advertising Share 1997 – 2001

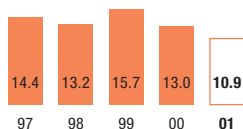
Source: HMI/SOV



Yorin, Audience Share 1997 – 2001

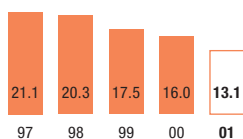
Source: Intomart

Target: 20-34



Yorin, Advertising Share 1997 – 2001

Source: HMI/SOV



Holland Media Group (HMG) has had a difficult year with declining audience and advertising market share. In addition, the re-branding of Veronica as Yorin resulted in an initial loss in momentum although, since re-launch in August 2001, an improvement is being seen month on month. Several new shows were launched during the year including "RTL Boulevard" which was produced in-house by Holland Media House. This tabloid news programme has already proven to be extremely popular with over 670,000 viewers during the working week.

Since the legal restrictions on channel share and format were removed, RTL5, which targets men aged 20-49, has developed strong programming in the fields of business news and sport.

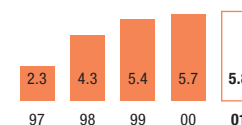
Yorin was developed as a platform targeting young adults using adventurous, cosmopolitan, interactive and refreshing programming. Highlights of the year include the show "Starmaker", "Big Brother", and "Ticket to love" all of which have helped the station to develop in an extremely positive way in only its first year of operations.

HMG's revenue fell to EUR 303 million (2000: EUR 334 million) and it contributed EUR 11 million (2000: EUR 28 million) to RTL Group's EBITA. During the year, cost control measures were implemented at HMG and this programme is under continuous review.

Channel 5, Audience Share 1997 – 2001

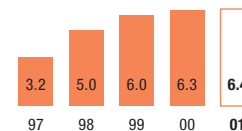
Source: BARB

Target: 4+



Channel 5, Advertising Share 1997 – 2001

Source: Agency

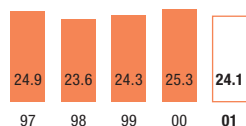


Channel 5 has continued to grow despite extremely difficult advertising market conditions in the UK. Audience share has increased to 5.8 per cent from 5.7 per cent in 2000,

making Channel 5 the UK's only terrestrial advertising funded channel to show growth. The success of the overall increase in Channel 5 viewing was further enhanced by an improvement in the demographic profile of the channel. The key demographics of ABC1 adults and 16-34 adults both increased year on year. The launch of "Home & Away" in July 2001 was a major success for the channel with ratings exceeding expectations. The ratings for the 6-7 pm time slot have increased by 145 per cent as a result of the new schedule. A number of successes have also been achieved from commissioned programming. RTL Group's share of revenue fell to EUR 213 million (2000: EUR 234 million) and the Group's share of the EBITA loss was EUR 49 million (2000: loss EUR 6 million). The EBITA loss was a result of declining advertising revenues at a time when RTL Group's share of the programme spend increased to EUR 149 million (2000: EUR 130 million). RTL Group continues to believe that investment in new programming, whilst creating short-term losses, will create long-term value and fully supports the management of Channel 5 as it develops the station.

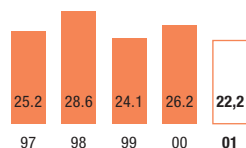
RTL-TVI, Audience Share 1997 – 2001

Source: Audiométrie
Target: 18-44



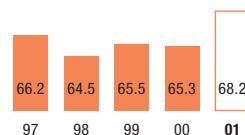
Club RTL, Audience Share 1997 – 2001

Source: Audiométrie
Target: 4-14



RTL-TVI / Club RTL, Advertising market share (French-speaking Belgium) 1997 – 2001

Source: RTL-TVI



RTL-TVI maintained its position as the leading channel for French speaking Belgians. RTL-TVI reaches 95 per cent of all Belgian TV households (via cable) and alongside Club RTL offers a wide range of programming covering news & information, entertainment, fiction and football. The slight downturn in results is explained by the increased investment in programming and the arrival at the end of 2001 of a new competitor in the form of AB3.

RTL Klub in Hungary has continued to show impressive results and maintained its position as market leader in Hungary. In prime time RTL Klub achieved a yearly average of 40.8 per cent and an average daily share of between 36 and 37 per cent (up from 35 per cent in 2000). The increases were as a result of in-house format development with particular emphasis on the 18-49 demograph.

Content

In EUR million

	Year to December 2001	Year to December 2000 (Pro forma unaudited)	Per cent Change
Revenue	1,148	1,090	+5.3%
of which Sports Rights	208	217	-4.1%
Underlying revenue	1,164	1,090	+6.8%
EBITA	48	126	-61.9%
Underlying EBITA	46	126	-63.5%

Content revenue, which is mainly Pearson Television, (which was re-named this year as FremantleMedia), was up by 5.3 per cent to EUR 1,148 million in 2001 (2000: EUR 1,090 million) mainly due to increased inter segment trading.

EBITA in the content segment fell to EUR 48 million (2000: EUR 126 million) primarily due to the restructuring costs incurred at FremantleMedia and the impact of the withdrawal and cancellation of American TV movies and drama series. Following the downsizing of the international drama activities, RTL Group has re-focused FremantleMedia's activities on the core production business, whose profitability remained largely stable in 2001. RTL Group's continued backing of the production business has begun to show results this year with the launch of new formats such as "Pop Idol" and "Farmer Wants A Wife" on ITV, "Das Quiz mit Jörg Pilawa" on ARD, "Die Quiz Show" on SAT1 and "La Gym des Neurones" on France2.

Small acquisitions in both Germany and France were made in 2001 thus further strengthening our format library and talent pool. These acquisitions provide FremantleMedia with a complementary programme genre with potential for expansion internationally. RTL Group will make further strategic investments to support the content business in order to ensure that the right formats can be made available to its television stations.

As part of the continued drive for synergies between the production business and broadcasters, the joint venture between FremantleMedia and HMG, Holland Media House (HMH), has launched new formats that are broadcast on our Dutch channels as well as on the public channels. Co-production and development arrangements in other countries are also being explored with the aim to further increase synergistic benefits.

FremantleMedia, is the largest content company in RTL Group, producing more than 230 different shows, licensing over 10,000 hours of programming to broadcasters and selling television series and films in over 100 territories. This included more than 8,000 hours of original production in 35 different countries across a wide-range of genres. FremantleMedia won many awards during the year including Greatest Game Show of All Time (Price is Right), Best Comedy Programme or Series (Da Ali G Show), Best TV Producers of the Year Award (100 Centre Street), Best Entertainment Programme (So Graham Norton) and Best Afrikaans Language Television Programme (Lyrics Board).

Due to a lack of scale, RTL Group withdrew from direct participation in the US syndication market. Accordingly, FremantleMedia formed a strategic alliance with leading television organisation Tribune Entertainment, focusing on programme distribution, development and first-run production in the US.

UFA Film + TV Produktion in Germany provides programming to all the main broadcasters, from traditional game shows like “Die Quiz Show” and “Jeder Gegen Jeden” to drama series like “Balko” and daily soaps like “Gute Zeiten, Schlechte Zeiten”. New shows launched in 2001 include “SOKO Leipzig” and “Das Quiz mit Jörg Pilawa”. This latter programme represents the first time that a quiz show has been produced for ARD. At the beginning of September another new quiz show, “Q Boot”, was launched on Super RTL. The Magyar Grundy UFA Production “Baratok Közt” recorded an audience market share in the important 18-49 age group of 55.4 per cent in December 2001. With over 2000 programme hours broadcast annually within the private and public TV broadcasters, UFA Film + TV Produktion has continued to demonstrate clear market leadership in the German content market. The maintenance and expansion of programme brands was an important goal during 2001 that will be continued in 2002.

On a standalone basis, **UFA Sports** had a very successful year in 2001 with the highest EBITA result in its history. UFA Sports has three main divisions namely, TV rights, Marketing & Sales and International Markets. The TV rights division is the central pillar of the business, with UFA Sports marketing 540 matches in 2001. The Marketing & Sales division provides full service contracts that cover sponsorship and advertising rights sales, ticketing, merchandising and hospitality. The International Markets division has developed further and now has companies operating as far a field as USA, Malaysia and Brazil. The results of UFA Sports have been fully consolidated into the accounts of RTL Group in 2001. UFA Sports was contributed to Sportfive on 18 December 2001.

French sports rights company **Groupe Jean-Claude Darmon**, in which RTL Group held a 28 per cent interest, continued to develop its relationship with football clubs and federations in France, Italy and Africa. The results reflect the underlying strength of the company despite a below par performance of the French clubs in the UEFA competitions. The Group recently signed a long-term contract with Orange for a UMTS communications campaign, thus opening up a new revenue source whilst providing new services to football clubs and advertisers alike. Groupe Jean-Claude Darmon was equity accounted for in the consolidated accounts of RTL Group in 2001.

Radio

Revenue in the radio segment fell by 12.7 per cent to EUR 213 million (2000: EUR 244 million) as a result of weaker advertising revenue in our core market, France, and lower audience shares at our main radio station, RTL Radio. The new management has restored some programmes and has made significant progress in recovering lost

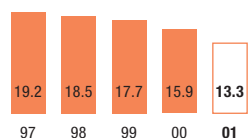
audience share, as reported in the last Mediamétrie results in January, which show RTL Radio as the clear leader with an audience market share of 13.3 per cent. This is 33 per cent higher than its closest competitor, France Inter, which is a non-commercial operator.

Revenue <i>In EUR million</i>	Year to December 2001	Year to December 2000	Per cent Change	Per cent of total
France	186	219	-15.1%	87.3%
■ RTL	133	171	-22.2%	62.4%
■ RTL 2	27	26	+3.8%	12.7%
■ Fun Radio	26	22	+18.2%	12.2%
Germany	15	13	+15.4%	7.1%
Netherlands	10	8	+25.0%	4.7%
United Kingdom	2	4	-50.0%	0.9%
Total	213	244	-12.7%	100%
Underlying revenue	213	244	-12.7%	

EBITA <i>In EUR million</i>	Year to December 2001	Year to December 2000	Per cent Change	Per cent of total
France	21	71	-70.4%	80.8%
■ RTL	8	63	-87.3%	30.8%
■ RTL 2	8	8	0.0%	30.8%
■ Fun Radio	5	-	n.a.	19.2%
Germany	3	2	+50.0%	11.5%
Netherlands	4	2	+100%	15.4%
United Kingdom	(2)	-	n.a.	-7.7%
Total	26	75	-65.3%	100%
Underlying EBITA	26	75	-65.3%	

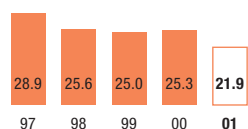
RTL, Audience Share 1997 – 2001

Source: Mediamétrie
Target: 15+



RTL, Advertising share 1997 – 2001

Source: SECODIP

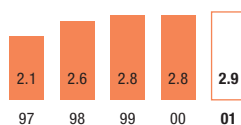


RTL Radio in France remains the country's number one station. The return of Philippe Bouvard and his team of "Les Grosses Têtes" has helped produce strong audience shares. The game show "Quitte ou Double" and "Ca peut vous arriver" continue to build upon the traditional strengths of RTL Radio, namely that of being interactive and close to its audience. The recovery was helped by the launch of a major marketing campaign under the title "RTL Vivre Ensemble".

RTL Radio's share of the radio advertising market was 21.9 per cent (2000: 25.3 per cent), and its contribution to the Group's EBITA was EUR 8 million (2000: EUR 63 million).

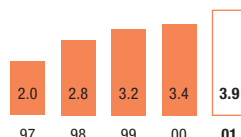
RTL 2, Audience Share 1997 – 2001

Source: Mediamétrie
Target: 15+



RTL 2, Advertising share 1997 – 2001

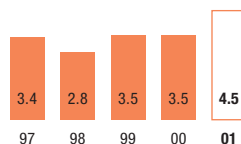
Source: SECODIP



RTL 2 has had a good year following the programming changes announced last year. The "Pop Rock Sound" has developed a solid audience and has remained focused on a younger demographic with a share of the key target group (25 – 34 years old) rising to 6.1 per cent (2000: 5.7 per cent).

Fun Radio, Audience Share 1997 – 2001

Source: Mediamétrie
Target: 15+

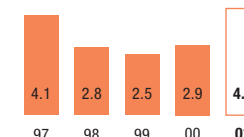


FUN Radio, the French dance station, continued to grow, reporting an EBITA of EUR 5 million compared to a small

positive EBITA in 2000. FUN Radio's share of the radio advertising market was 4.4 per cent (2000: 2.9 per cent). Fun Radio benefited from its link up with M6's "Loft Story" and "Popstars" during the year resulting in a significant increase in younger listeners to the station. Fun has reaffirmed its strategy: groove, dance music and entertainment and has found a new star in the form of Arthur, who has already been nominated favourite radio presenter of the year (Ipsos, June 2001).

Fun Radio, Advertising share 1997 – 2001

Source: SECODIP



New Media

RTL Group has achieved considerable success in new media by leveraging its existing strength in broadcasting and production with limited losses of EUR 55 million (2000: EUR 37 million).

The Group has established itself as one of the most successful online players in European broadcasting. Thanks to e-commerce driven merchandising, revenue increased to EUR 91 million (2000: EUR 38 million).

RTL NEWMEDIA received several awards during the year, notably "Online Star", Best TV Site (for www.GZSZ.de) and best Sport Site (for www.michael-schumacher.de).

In September 2001, RTL NEWMEDIA launched the first e-mail and SMS service for digital television in Germany.

Portfolio changes

In May, RTL Group, Canal+ Group and Groupe Jean-Claude Darmon signed an agreement to merge their sports rights activities. The deal created a leading TV and marketing sports rights Group.

It brings together UFA Sports, the sports rights business of RTL Group, Sport+, the sports rights trading subsidiary of Canal+ Group, and Groupe Jean-Claude Darmon in which RTL Group already owned a 28 per cent interest.

The new group combines annual revenues of over EUR 572 million and an operating result of EUR 40 million (based on pro forma figures for 2000). The transaction was approved by the European Commission in November.

The enlarged group – which has been renamed “Sportfive” – will manage TV and marketing contracts with over 320 football clubs worldwide. It will also manage TV and marketing contracts with over 40 national football federations as well as major European football leagues. The new group will also be active in other disciplines such as handball, rugby and tennis and will offer a full range of sport communication services (from TV rights marketing to event, advertising, team and hospitality management) as well as TV sports production. In total, Sportfive will have about 350 employees worldwide.

An Extraordinary General Meeting of Groupe Jean-Claude Darmon on 18 December 2001 approved the contribution of UFA Sports and Sport+ in exchange for newly issued shares.

As at the year end RTL Group held 44.4 per cent of Sportfive. Following the offer to the minority shareholders, which was concluded at the beginning of March 2002, the Group will acquire an additional 2 per cent of shares in Sportfive.

As a result of this RTL Group and Canal+ Group own directly and indirectly equal stakes of 46.4 per cent in the enlarged group. Treasury stocks represent 1.8 per cent.

RTL Group has successfully exited from all German Pay-TV activities following the exercise of its option to sell 5 per cent in the Pay-TV channel Premiere to the channel’s majority shareholder Kirch Group.

RTL Group continued to develop new media activities in 2001. The main transaction was the combination of Bertelsmann AG’s subsidiary, Bertelsmann Broadband Group, into RTL NEWMEDIA to enable close co-operation and parallel development of interactive television and e-commerce activities.

In December RTL Group announced the sale of its Polish TV station RTL 7 to the media and entertainment group ITI, a majority shareholder of the Polish commercial TV station TVN.

Under the terms of the deal, ITI acquired RTL 7, its formats, its current film library and its satellite transponder obligations with Eutelsat.

Share of result of associates

EBITA

In EUR million

	Year to December 2001	Year to December 2000	Per cent Change
Groupe Jean-Claude Darmon	5	3	+66.7%
RTL Klub	2	3	-33.3%
Others	6	18	-66.7%
Total	13	24	-45.8%

The total contribution of the companies carried at equity decreased to EUR 13 million (2000: EUR 24 million), which is mainly due to the lower EBITA of RTL II. “Sportfive” has been proportionally consolidated into the accounts of RTL Group with effect from 31 December 2001, reflecting the transaction that has been carried out this year between RTL Group, Canal+ and Groupe Jean-Claude Darmon.

Antena 3 Group has been equity accounted for the first time as at 31 December 2001, reflecting the increasing influence of RTL Group at one of the leading private national terrestrial channels in Spain. There is no income statement impact of this change in 2001. Audience shares at Antena 3 fell slightly to 20.4 per cent (2000: 21.4 per cent).

Net interest expense and financial results other than interest

Net interest expense fell to EUR 33 million (2000: EUR 36 million), principally because of a slight decrease in the net debt position to EUR 645 million (2000: EUR 681 million) and reduced European interest rates.

The debt capacity and the financing structure of the Group have been significantly restructured during the year, following the announcement of credit ratings from both Moody’s and Standard & Poor’s.

RTL Group’s management conducted a detailed review of the value of the portfolio of investments in new media companies as well as of its marketable securities. As a result, the Group has recorded a EUR 36 million impairment loss on the new media portfolio, reducing the book value of these investments to EUR 10 million.

The most significant single new media investment is held by RTL New Media, with an investment of EUR 7 million in a 7.5 per cent shareholding in e-sixt.

Additionally, RTL Group wrote down the value of the RTV shares held, by EUR 12 million, to the market value of the company, which is listed on the "Neuer Markt".

Amortisation and impairment of goodwill

The amortisation and impairment of goodwill increased as a result of the impairment in goodwill of Pearson Television (recently re-named FremantleMedia) of EUR 2,276 million and Antena 3 of EUR 286 million, which was equity accounted for the first time at 31 December 2001.

Both of these assets were contributed by Pearson plc to RTL Group in 2000. Following the decrease in market valuations and the restructuring at FremantleMedia's US operations, RTL Group management performed a detailed impairment review as required under IAS.

The results of this exercise were then compared to the carrying value of the respective investments to assess the level of the impairment.

The majority of the impairment is non-cash, reflecting the share for share swap at the date of the contribution.

Gain from sale of subsidiaries, joint-ventures and other investments

The gain from sale of subsidiaries, joint ventures and other investments arises primarily on the contribution of UFA Sports to Sportfive, the sale of the remaining 5 per cent of Premiere and the disposal of RTL7.

Income tax expense

The tax expense decreased to EUR 67 million (2000: EUR 218 million), with an effective tax rate of approximately 36 per cent (pro forma 2000: 42 per cent).

The effective rate decreased principally due to lower corporate tax rates in Germany, the realisation of a tax credit in Germany following the payment of a significant dividend from UFA Film und Fernseh to CLT-UFA German branch and, after the creation of a tax unity between RTL Group and CLT-UFA, the recognition of an additional deferred tax asset.

The effective rate computation takes into account the non-deductibility of goodwill, differences between accounting and taxable basis as well as tax losses in Luxembourg, the US and in the United Kingdom for which tax assets have not been recognised as it is not probable that future taxable profits in these countries will be available for offset against carried forward losses.

Net loss for the year

The net loss for the year was EUR 2,499 million (2000: net profit 67 million) principally due to the write down of the goodwill arising on the acquisitions of Pearson Television and Antena 3. Pre goodwill impairment, the net profit for the year was EUR 74 million (2000: EUR 67 million).

Net debt / cash position

The consolidated net debt position at 31 December 2001 was EUR 645 million (2000: net debt of EUR 681 million).

In June 2001, RTL Group announced its first credit ratings from the two leading rating agencies, Moody's and Standard and Poor's.

Moody's has assigned to RTL Group a short-term rating of P-2 and a long-term issuer rating of A3, while Standard & Poor's has assigned a short-term rating of A-2 and a long-term rating of single-A-minus, with stable outlook. The short-term ratings have been assigned in advance of the EUR 1 billion Euro-Commercial Paper Programme.

These ratings reflect RTL Group's strong position in European television markets, its complementary radio activities, a well-established production business as well as benefits resulting from domestic and cross-border families of channels and scale.

They further reflect the Group's current levels of profitability and cash flow generation, and the expectation that the funding of further growth will be consistent with a relatively conservative financial profile.

The ratings anticipated that RTL Group will reposition its external indebtedness and borrowings capacity at the level of RTL Group S.A., with minimum amounts kept at the level of its subsidiaries. This repositioning is largely completed.

Following the announcement by Bertelsmann that it had entered into an agreement to acquire the 22 per cent of RTL Group's issued share capital from Pearson plc., Moody's reviewed RTL Group's A3 long term ratings for possible downgrade.

For the same reasons Standard & Poor's placed RTL Group's long term corporate credit and senior unsecured A- ratings on credit watch, with negative implications. The short-term A-2/P-2 ratings were re-affirmed.

On 30 May 2001, RTL Group S.A. entered into a EUR 1,000 million euro-commercial paper programme ("ECP") under English law. Under the Programme, the Company can issue notes, in series that can be interest bearing, index linked or sold at a discount to their face value. The Notes have a maturity of a minimum of 3 days and maximum of 364 days. The Notes can be issued in EUR, USD, GBP, CHF or JPY. The Programme is not listed.

As at 31 December 2001, the balance of the Programme amounted to EUR 195 million.

On 31 August 2001, RTL Group S.A. entered into a EUR 900 million syndicated multi-currency revolving loan facility under English law. The Facility is guaranteed by its subsidiary CLT-UFA S.A.. The Facility comprises a EUR 600 million multi currency revolving loan facility for a term of 5 years which incorporates a EUR 60 million swing line facility, and a EUR 300 million multi-currency revolving loan facility for a term of 364 days with a renewal request option available for up to four further terms of 364 days each.

As at 31 December 2001, the balance of the Facility and the interest expenses for the year on the Facility amount to EUR Nil. The arrangement fees relating to the Facility of EUR 3 million were expensed in the income statement.

On 10 October 2001, RTL Group S.A. entered into a EUR 400 million dematerialised treasury notes programme under Belgian law. Under the Programme, the Company can issue treasury notes up to an aggregate amount of EUR 400 million. The maturities of the Notes may be determined by the Company, and the Notes may be denominated in multi-currency. The Programme is not listed.

As at 31 December 2001, the balance of the Programme amounted to EUR 371 million.

On 5 November 2001, RTL Group S.A. entered into a EUR 2,000 million medium term note programme under English law. Under the Programme, the Company can issue notes, in series that may be distributed by private or public placement and in each case on a syndicated or non-syndicated basis. The maturities and denomination of the Notes may be determined by the Company, subject to any applicable legal or regulatory restrictions. The Programme is listed on the Luxembourg stock exchange.

As at 31 December 2001, the balance of the programme and the interest expenses for the year on the programme amounted to EUR Nil.

Net debt/cash position

<i>In EUR million</i>	As at 31 December 2001	As at 31 December 2000
Cash and cash equivalents	302	218
Marketable securities and other short term investments	78	81
Loans and bank overdrafts ⁽¹⁾	(1,025)	(980)
(Net debt)/cash position	(645)	(681)

⁽¹⁾ After deduction of loans receivable relating to the Channel 5 financing amounting to EUR 187 million (2000: EUR 110 million).
The net debt as presented in the 2000 consolidated financial statements has been restated to reflect this adjustment.

Own shares

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

By resolution of the Annual General Shareholders' Meeting of RTL Group held on 18 April 2001, the Board of Directors of RTL Group was authorised for a period of fifteen months from the date of such Shareholders' Meeting, to acquire an aggregate number of shares of RTL Group not exceeding the maximum 10 per cent allowed under the Law of 10 August 1915 on Commercial Companies.

The acquisition price was set between EUR 40 as a minimum and 105 per cent of the average of the market price on the shares of RTL Group on the London Stock Exchange during the five last days preceding the acquisition as a maximum. At a Board Meeting held on 8 January 2002, the Board of Directors resolved that RTL Group would not purchase any RTL Group shares at a price exceeding EUR 44.

RTL Group indirectly holds 0.76 per cent of RTL Group's shares. On 6 April 2000, the Company granted to Vivendi an option to acquire 600,000 RTL Group shares.

The option was granted in consideration of Vivendi waiving certain alleged rights against, amongst others, RTL Group.

The option is exercisable once for the whole 600,000 shares at an exercise price of EUR 114 per share at any time up until to 1 April 2002.

Share option plan

On 25 July 2000, RTL Group launched a share option plan for the senior management of the Group. Under the terms of the plan, the option price reflects the market value of the shares on the date that they are granted.

The market value is defined as the average stock price on the London exchange for the 20 dealing days preceding the grant, or as otherwise decided by the Board of Directors.

The options vest in equal tranches on the second, third and fourth anniversary of the date of grant and lapse after 10 years. The total number of options granted and accepted by the senior management at the end of 2001 was 450,450 (2000: 492,000).

Significant litigations

On 25 August 2000, RTL Television (as defined below) filed a complaint in the courts of Amsterdam with regard to a license output agreement dated 30 July 1996 ("Output Agreement") between RTL Television, CLT-UFA, UFA Film und Fernseh (collectively "RTL Television") and Universal Studios International ("Universal").

Universal has outsourced most of its TV production to USA Networks Inc. ("USA Networks") and now acts as agent or distributor of international rights in such product.

RTL Television is seeking a declaratory judgement that RTL Television is not obliged under the Output Agreement to license any product produced under the control of USA Networks and/or to co-finance any production with USA Networks.

RTL Television refuses to sign single license agreements under the umbrella of the Output Agreement with regard to such product.

RTL Group has been made a party to litigation between several of its minority shareholders on the one hand and Bertelsmann and GBL on the other hand in relation to the acquisition by Bertelsmann of the issuer's shares previously owned by GBL. That litigation is presently pending in the Luxembourg courts.

RTL Group believes that whatever the outcome of that litigation it should not have any direct impact on the Group, because it has not been a party to that transaction and its involvement is limited to solely entering any transfer of shares into the shareholders register.

In December 1998, CLT-UFA acquired 1.1 per cent of the capital of RTLII GmbH & Co. KG and RTLII GmbH from Frankfurter Allgemeine Zeitung ("FAZ"). Heinrich Bauer Verlag disputes CLT-UFA's capacity to acquire the stake from FAZ on the basis that it required 75 per cent shareholder approval to increase its interest in RTL II and that Heinrich Bauer Verlag had, in its opinion, exercised its pre-emption rights to the FAZ shares.

On 28/29 February 2000 the District Courts of Hamburg and Munich issued a judgement at first instance confirming that CLT-UFA had satisfied the conditions of the shareholders' agreement and accordingly would not require further approval of the shareholders for any further acquisitions.

In addition, the court held that Heinrich Bauer Verlag had not effectively exercised its pre-emption right. Heinrich Bauer Verlag has appealed against both judgements. The Munich Court of Appeal has rejected the appeal on formal grounds in a judgement rendered on 20 December 2000.

Heinrich Bauer Verlag has referred the case to the Federal High Court. The Hamburg Court of Appeal has indicated in a hearing on 20 August 2001, that it might decide in favour of RTL Group. However, a further hearing is scheduled within the next few months and a judgement can be expected in 2002.

CLT-UFA, as Luxembourg licence holder and responsible broadcaster of RTL4 and RTL5, and RTL/HMG, a Luxembourg based wholly owned subsidiary of CLT-UFA assisting in the exploitation of the RTL4 and RTL5 programme licenses, are involved in litigation with the Dutch Media Supervisory Authority ("DMSA").

The DMSA is seeking jurisdiction over HMG in relation to RTL4 and RTL5 on the basis that HMG is to be considered as the broadcaster of RTL4 and RTL5 and it has its head office in The Netherlands.

CLT-UFA and HMG have succeeded in reversing (on procedural grounds) the 1998 decision of the DMSA, which ruled

that RTL4 and RTL5 fell under Dutch jurisdiction, and should apply for Dutch licences. On 5 February 2002 the DMSA took a new decision in order to impose the obligation on HMG to apply for Dutch broadcasting licenses for RTL4 and RTL5 as from 1 April 2002 at the latest.

CLT-UFA and HMG will introduce a recourse at the Amsterdam District Court against that decision as well as a request for suspension of the execution of the decision of the DMSA.

The European Commission is also following the case in light of the 1989/1997 European TV Directive. Should the DMSA be successful, RTL4 and RTL5 would become subject to the more stringent Dutch media regulation, which would be likely to have a significant effect on their respective advertising and sponsorship revenues. RTL Group's Board of Directors is not aware of any other significant litigation.

Proposed dividend

The Board of Directors recommends to the General Meeting of Shareholders on 17 April 2002 the distribution of a gross final dividend per share of EUR 0.50 (2000: EUR 0.85 per share). If the General Meeting of Shareholders accepts this proposal, RTL Group S.A. will distribute for the financial year 2001 a total dividend of EUR 77 million.

The proposal is in line with the stated dividend policy of RTL Group – distribution of between 35 and 50 per cent of RTL Group's ordinary earnings (defined as profit for the year before amortisation and impairment of goodwill, gain or loss from sale of subsidiaries, joint-ventures, associates and other investments, net of taxes, and extraordinary items).

Post balance sheet events

In January 2002 RTL Group announced the disposal of its Swedish radio stations Lugna Favoriter and WOW 105.5 to the media group Modern Times Group (MTG AB).

The disposal of stations Lugna Favoriter and WOW 105.5 is part of the ongoing portfolio review within RTL Group.

In February, RTL Group announced the disposal of its French technical facilities company, Video Communications France (VCF).

Shareholder Changes

In February 2001, Bertelsmann and GBL announced that Bertelsmann would acquire the 30 per cent participation in RTL Group held by GBL through its majority-owned company Electrafina.

The acquisition was effected by way of a share swap whereby GBL received a 25.1 per cent participation in Bertelsmann. The European Commission approved the share swap between Bertelsmann and GBL on 11 May 2001.

In December, Bertelsmann announced that they were acquiring the 22 per cent participation in RTL Group of Pearson plc thus taking Bertelsmann's shareholding in RTL Group to 89 per cent (held both directly and indirectly).

The price agreed for this transaction was EUR 44 per share. The transaction between Bertelsmann and Pearson plc was ratified on 31 January 2002.

Outlook

RTL Group has continued to outperform in its main markets, in respect of both audience share and advertising market share.

This out performance is largely due to our continued investment in quality programming while carefully controlling costs. RTL Group will continue this approach in the belief that this brings future success and long term benefits to the Group.

The review of the operating portfolio will continue into 2002 with the sale or closure of non-core or under-performing assets.

RTL Group has implemented a series of cost saving measures and is actively exploring further cost saving opportunities that will help offset what will be another difficult year for advertising markets. Visibility remains poor and it continues to be difficult to predict the outlook with any certainty.

Based on our forward bookings to date, we are seeing continued weakness in advertising markets which we expect will continue for at least the first half of 2002.

Through the measures already taken, management is confident that the core business is well positioned and will bring enhanced revenue and earnings.

1 March 2002
The Board of Directors

Auditors' report

PRICEWATERHOUSECOOPERS

KPMG

To the shareholders of RTL Group S.A.

We have audited the consolidated balance sheet of RTL Group S.A. and its subsidiaries (the "Group") as of 31 December 2001 and the related consolidated income and cash flow statements for the year then ended as set out on pages 72 to 119 and have read the Directors' report. These consolidated financial statements and the Directors' report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements, based on our audit, and to check the consistency of the Directors' report with them.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements as set out on pages 72 to 119 give a true and fair view of the financial position of the Group as of 31 December 2001, and of the results of its operations and its cash flows for the year then ended, in accordance with International Accounting Standards.

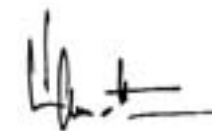
The Directors' report is in accordance with the consolidated financial statements.

Luxembourg, 1 March 2002



PricewaterhouseCoopers S.à r.l.
Réviseur d'Entreprises

Pascal Rakovsky



KPMG Audit s.c.
Réviseurs d'Entreprises

Eric Damotte

Consolidated income statement for the year ended 31 December 2001

<i>In EUR million</i>	Notes	2001	Pro forma 2000 (Unaudited)	2000
Revenue	4.1	4,054	4,044	2,854
Other operating income		87	110	73
Consumption of current programme rights		(1,453)	(1,384)	(931)
Depreciation, amortisation and impairment		(420)	(339)	(273)
Other operating expense	4.2	(2,005)	(1,900)	(1,382)
Amortisation and impairment of goodwill	5.1	(2,840)	(317)	(172)
Gain from sale of subsidiaries, joint ventures and other investments	4.3	228	88	57
Profit / (loss) from operating activities		(2,349)	302	226
Share of results of associates	5.3	13	24	17
Earnings before interest and taxes ("EBIT")		(2,336)	326	243
EBITA*		276	555	358
Amortisation and impairment of goodwill		(2,840)	(317)	(172)
Gain from sale of subsidiaries, joint ventures and other investments		228	88	57
Earnings before interest and taxes ("EBIT")		(2,336)	326	243
Net interest expense	4.4	(33)	(36)	(15)
Financial results other than interest	4.5	(55)	3	10
Profit / (loss) before taxes		(2,424)	293	238
Income tax expense	4.6	(67)	(218)	(142)
Profit / (loss) from ordinary activities		(2,491)	75	96
Minority interest		(8)	(8)	(19)
Net profit / (loss) for the year		(2,499)	67	77
Earnings per share (in EUR)				
- Basic	4.7.1	(16.27)	0.43	0.76
- Diluted	4.7.2	(16.27)	0.42	0.76

* EBITA represents earnings before interest and taxes excluding amortisation and impairment of goodwill and gain from sale of subsidiaries, joint ventures and other investments.

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

Consolidated balance sheet as at 31 December 2001

<i>In EUR million</i>	Notes	2001	2000
Non current assets			
Programme and sport rights	5.1	365	415
Goodwill	5.1	3,527	5,730
Other intangible assets	5.1	25	27
Property, plant and equipment	5.2	351	382
Investments in associates	5.3	121	59
Loans and other financial assets	5.4	483	1,036
Deferred tax assets	5.5	112	102
		4,984	7,751
Current assets			
Programme rights	5.6	1,061	1,087
Other inventories		11	7
Income tax receivable		274	182
Accounts receivable	5.7	1,343	1,208
Marketable securities and other short-term investments	5.8	78	81
Cash and cash equivalents	5.9	302	218
		3,069	2,783
Current liabilities			
Loans and bank overdrafts	5.10	926	755
Income tax payable		100	104
Accounts payable	5.11	1,665	1,576
		2,691	2,435
Net current assets		378	348
Non current liabilities			
Loans	5.10	286	335
Accounts payable	5.11	205	194
Provisions	5.12	223	249
Deferred tax liabilities	5.5	45	53
		759	831
Net assets		4,603	7,268
Shareholders' equity		4,585	7,254
Minority interest		18	14
		4,603	7,268

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

Consolidated cash flow statement for the year ended 31 December 2001

<i>In EUR million</i>	2001	Pro forma 2000 (Unaudited)	2000
Cash flows from operating activities			
Profit / (loss) from ordinary activities	(2,491)	75	96
Adjustments for:			
■ Depreciation and amortisation	623	610	401
■ Value adjustments, impairment and provisions	2,738	121	94
■ Gain on disposal of assets	(219)	(138)	(99)
■ Financial results including share of results of associates	68	14	(1)
Working capital changes	24	(36)	(154)
Income taxes paid	(172)	(246)	(315)
Other movements	-	6	(1)
Net cash from operating activities	571	406	21
Cash flows from investing activities			
Acquisitions of:			
■ Programme and sport rights	(275)	(348)	(214)
■ Subsidiaries and joint ventures net of cash acquired	(45)	(789)	(217)
■ Other intangible and tangible assets	(76)	(113)	(79)
■ Other investments and financial assets	(227)	(517)	(371)
	(623)	(1,767)	(881)
Proceeds from the sale of intangible and tangible assets	8	68	33
Disposal of subsidiaries and joint ventures net of cash disposed of	9	6	2
Proceeds from the sale of other investments and financial assets	192	657	569
Interest received	41	70	58
	250	801	662
Net cash used in investing activities	(373)	(966)	(219)

<i>In EUR million</i>	2001	Pro forma 2000 (Unaudited)	2000
Cash flows from financing activities			
Interest paid	(82)	(125)	(75)
Proceeds from loans	1,355	387	156
Net (acquisition) / disposal of treasury shares	(6)	23	11
Reimbursement of loans	(1,217)	(531)	(411)
Net change in bank overdraft	(24)	33	94
Dividends paid	(135)	(122)	(109)
Net cash used in financing activities	(109)	(335)	(334)
Net increase / (decrease) in cash and cash equivalents	89	(895)	(532)
Cash and cash equivalents at beginning of year	218	1,106	748
Effect of exchange rate fluctuation on cash held	(5)	7	2
Cash and cash equivalents at end of year	302	218	218

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

Consolidated statement of changes in shareholders' equity for the year ended 31 December 2001

In EUR million

	Notes	Share capital	Share premium	Non distributable reserves	Treasury shares	Other reserves	Retained earnings	Total shareholders' equity
Balance at 31 December 1999		79	1,184	15	(56)	(12)	691	1,901
Capital increase of 24 July 2000		71	563	7	-	-	-	641
Capital increase of 25 July 2000		39	4,284	4	-	-	-	4,327
Capital increase of 4 September 2000		3	397	-	-	-	-	400
Disposal of treasury shares		-	-	-	22	-	21	43
Other movements on treasury shares (change in consolidation scope: CLT-UFA)		-	-	-	(5)	-	-	(5)
Currency translation adjustment		-	-	-	-	10	-	10
Write-off of deferred tax asset		-	-	-	-	-	(40)	(40)
Dividends		-	-	-	-	-	(100)	(100)
Net profit for the year		-	-	-	-	-	77	77
Balance at 31 December 2000		192	6,428	26	(39)	(2)	649	7,254
Adjustment for the adoption of IAS 39	5.14.4	-	-	-	-	125	-	125
Restated balance at 1 January 2001		192	6,428	26	(39)	123	649	7,379
Net acquisition of treasury shares		-	-	-	(5)	-	-	(5)
Currency translation adjustment	5.14.4	-	-	-	-	(39)	-	(39)
Net change on cash flow hedging instruments	5.14.4	-	-	-	-	(35)	-	(35)
Net change on available-for-sale assets	5.14.4	-	-	-	-	(85)	-	(85)
Dividends		-	-	-	-	-	(131)	(131)
Net loss for the year		-	-	-	-	-	(2,499)	(2,499)
Balance at 31 December 2001		192	6,428	26	(44)	(36)	(1,981)	4,585

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

Notes to the consolidated financial statements

1 Significant accounting policies

RTL Group S.A. ("RTL Group") is a company domiciled in Luxembourg.

The consolidated financial statements of the Group for the year ended 31 December 2001 comprise the company, its subsidiaries and the Group's interest in associates and jointly controlled entities. RTL Group is the parent company of a multinational television and radio Group holding, directly or indirectly, investments in 663 companies. A complete list of Group undertakings as at 31 December 2001 has been filed at the Luxembourg companies' registry and is set out in note 9.

The consolidated financial statements of RTL Group are included in the consolidated accounts of Bertelsmann, the ultimate parent company of RTL Group. Bertelsmann 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 may be obtained from their registered office.

1.1

Statement of compliance

In 2000, as part of the process of listing the Group on the London Stock Exchange, the Group has adopted International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared in accordance with IAS and interpretations issued

by the Standing Interpretations Committee of the IASB. The consolidated financial statements also adhere to the provisions of Section XVI of the Luxembourg Company Law except in respect of:

- adoption in 2001 of IAS 39 "Financial Instruments: Recognition & Measurement" (see note 6.8); and
- accounting for treasury shares.

In addition, the presentation of the consolidated balance sheet and income statement differs from the provision of the Luxembourg Company Law with respect to the distinction between current and non current assets and liabilities as defined under IAS, as in the opinion of the Directors, the presentation adopted more appropriately reflects the financial position of the Group.

A reconciliation of the net result and shareholders' equity of the Group for the year ended 31 December 2001 to that which would have reported under Luxembourg accounting principles is set out in note 5.15.

1.2

Basis of preparation

1.2.1

Consolidated financial statements

The consolidated financial statements are presented in millions of EUR and have been prepared under the historical cost convention except in respect of available-for-sale investments and derivative financial instruments which are shown at fair value. The carrying amount of recognised assets and liabilities that are hedged

is adjusted to record changes in the fair value attributable to the risks that are being hedged. In 2001, the Group adopted IAS 39 "Financial Instruments: Recognition and Measurement". The impact of adopting this standard is disclosed in note 5.14.4.

1.2.2

Unaudited pro forma financial information

The financial statements include unaudited pro forma financial information (income statement and cash flow statement) for the year ended 31 December 2000, as in the opinion of management, the pro forma financial information provides a more representative picture of the financial performance of the Group during that period and as such a more appropriate benchmark for comparison against the 2001 performance.

The pro forma financial information for the year ended 31 December 2000 was previously reported within the 2000 consolidated financial statements.

In July 2000, CLT-UFA and Pearson Television (re-named FremantleMedia) combined into Audiofina (re-named RTL Group). Following the combination, RTL Group holds, inter alia, 100 per cent of CLT-UFA Holding (which in turn holds 99.3 per cent of CLT-UFA), 100 per cent of Pearson Television companies and 28 per cent of Groupe Jean-Claude Darmon.

As the combination was completed part way through the financial year ended 31 December 2000, the pro forma financial information for the year ended 31 December 2000 has been prepared using consistent accounting policies

to those of the Group, to illustrate the effects on the income statement and cash flow statement of RTL Group, of combining CLT-UFA and Pearson Television into RTL Group. For the purpose of the pro forma financial information the combination is assumed to have occurred on 1 January 2000.

The pro forma financial information for the year ended 31 December 2000 is based on a full years trading for all those companies that became part of RTL Group as at the flotation in July 2000.

Due to its nature, the pro forma financial information may not give a true presentation of the results and cash flows of the Group that would have been reported if the combination had occurred on 1 January 2000.

1.3 **Principles of consolidation**

1.3.1 **Subsidiaries**

Subsidiaries are those undertakings controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an undertaking so as to obtain benefits from its activities. 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 minority shareholders is presented separately as a minority interest in the consolidated balance sheet and in the consolidated income statement.

1.3.2 **Joint ventures**

A joint venture is an entity where the control of economic activity is contractually shared with one or more parties whereby no party on its own exercises effective control. Such entities are accounted for using proportionate consolidation. Under this method the Group includes its proportionate share of the joint venture's income and expenses, assets and liabilities in the relevant components of the consolidated financial statements, on a line-by-line basis.

1.3.3 **Associates**

Associates are defined as those investments, not classified as either subsidiaries or joint ventures, where the Group is able to exercise a significant influence. Such investments are recorded in the consolidated balance sheet using the equity method of accounting, whereby the carrying amount of the investment reflects the share in net assets at each balance sheet date presented.

1.3.4 **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the undertaking. Unrealised gains resulting from transactions with associates are eliminated against the investment in the associate. 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 transactions**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet 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 denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the initial transaction.

1.4.2 **Financial statements of foreign entities**

All assets and liabilities of the consolidated foreign entities are translated using the foreign exchange rate prevailing at the balance sheet 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 subsidiaries' opening net asset values at year-end rates are added to or deducted from the currency translation reserve within shareholders' equity. Exchange differences arising from the retranslation of the net investment in a foreign subsidiary or associated undertaking and financial instruments which are designated and qualify as hedges of such investments, are taken to shareholders' equity. On disposal of a foreign entity, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

1.5

Hedging

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at fair value.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges in respect of on-balance sheet assets and liabilities, are recorded in the income statement, along with any foreign exchange differences on the hedged asset or liability that is attributable to the hedged risk.

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) are deferred within shareholders' equity ("Other reserves").

- Amounts deferred in "Other reserves" 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 forecasted purchases of programme rights in foreign currency, releases from equity via a basis adjustment occurs when the programme right is recognised on-balance sheet in accordance with the Group's policy.
- The ineffective component of the fair value changes on the hedging instrument are recorded directly in the income statement.

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

Certain financial derivative transactions, while constituting effective economic hedges under the Group's risk management policy, do not qualify for hedge accounting under the specific rules in IAS 39. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised immediately 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 ("Other reserves") is deferred until the committed or forecasted transaction ultimately impacts the income statement. However, if a committed or forecasted 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.

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 highly effective in offsetting changes in fair values or cash flows of the hedged items.

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

Owned non current programme and sport rights

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

1.7.2

Leases

Leases of programme and sport rights 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 balance sheet at the lower of their fair value and the present value of minimum lease payments at the inception of the lease, less accumulated amortisation and impairment losses. Such assets are amortised like similar assets acquired in straightforward purchases (see note 1.7.1).

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. 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 are charged to the income statement on a straight-line basis over the period of the lease.

1.7.3

Goodwill

Acquisitions are accounted for by application of the purchase method of accounting. Goodwill arising from applying this method represents the difference between the cost of acquisition of a company and the Group's share of the fair values of net identifiable assets acquired. Goodwill is recognised as an intangible asset and amortised on a straight-line basis over the shorter of its useful life and 20 years.

Goodwill is stated at cost less accumulated amortisation and impairment losses.

1.7.4

Other intangible assets

Other intangible assets, which are acquired by the Group, are stated at cost less accumulated amortisation and impairment losses. They comprise licenses (other than broadcasting, (co)production, audiovisual and sport rights), trademarks and similar rights as well as EDP software.

They are amortised on a straight-line basis over their estimated useful life, not exceeding 20 years, except for software which is amortised over a maximum of 3 years.

1.7.5

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits that will be derived from the specific asset to which the expenditure relates. All other expenditure is expensed as incurred.

1.8

Property, plant and equipment

1.8.1

Owned assets

Property, plant and equipment is 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: 10 to 25 years
- Technical equipment: 4 to 10 years
- Other fixtures and fittings, tools and equipment: 3 to 10 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.

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 balance sheet 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 1.8.1). Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the finance balance outstanding. 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 are charged to the income statement on a straight-line basis over the period of the lease.

1.8.3

Subsequent expenditure

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

1.9

Loans and other financial assets

Loans are recognised initially at nominal value less any valuation allowance for impairment if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of the loan. In subsequent periods, loans are stated at amortised cost using the effective yield method. Any difference between nominal value and redemption value is recognised in the income statement over the period of the loan.

At 1 January 2001, the Group adopted IAS 39. All non current and current investments have been categorised as available-for-sale assets. 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; these are included in non current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case that are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

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. Cost of purchase includes transaction costs. Available-for-sale investments 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 reserves" in shareholders' equity in the period in which they arise.

The fair value of publicly traded available-for-sale investments is based on quoted market prices at the balance sheet date.

The fair value of non publicly traded available-for-sale investments is based on the estimated discounted value of future cash flows. On the adoption of IAS 39 at 1 January 2001, for non current and current investments, the cumulative fair values, net of deferred income tax, have been recorded in "Other reserves" in shareholders' equity.

1.10

Current programme rights

Current programme rights are initially recognised at acquisition cost or Group production cost when the Group controls, in substance, the respective assets and the risks and rewards attached to them. Current programme rights include programmes in progress, (co)productions as well as rights acquired with the primary intention to be broadcast or sold in the normal course of the Group's operating cycle. Current programme rights are stated at the lower of cost and net realisable value. They are consumed based on either the expected number of transmissions or expected revenues in order to match the costs of consumption with the benefits received. The rates of consumption applied for broadcasting rights are the following:

- Blockbusters (films resulting in a large amount of cinema tickets), "mini-series" (own productions with a large budget), other films, series, TV movies and (co)productions are consumed over a maximum of 2 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 2 transmissions as follows: at least 50 per cent upon the first transmission, with the remainder upon the second transmission.

1.11

Accounts receivable

Trade accounts receivable arise from the sale of goods and services related to the Group's operating activities. Other accounts receivable include VAT recoverable, prepaid expenses and the fair value of derivative assets. Trade accounts receivable are carried at original invoice amount less provision for impairment of these receivables. Accrued income is stated at the amounts expected to be received.

1.12

Marketable securities and other short-term investments

Fixed term deposits with an original term of more than 90 days are presented under this heading and are stated at cost. See also note 1.9 in respect of current investments.

1.13

Cash and cash equivalents

Cash and cash equivalents are carried in balance sheet at cost and include cash in hand, postal and bank accounts, as well as balances receivable on demand and deposits with an original maturity of less than 90 days.

1.14

Impairment

The carrying amounts of the Group's assets, other than "current programme rights" and "deferred tax assets", are reviewed at each balance sheet date to determine whether there is any

indication of impairment. If any such indication exists, the assets are written down to the estimated recoverable amount.

1.14.1

Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, 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.

1.14.2

Reversals of impairment

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.15

Current and non current loans

Interest bearing current and non current loans are stated at amortised cost with any difference between the cost and the redemption value recognised in the income statement over the period of the borrowings using the effective yield method. Current loans include current or renewable loans due within a maximum period of one year.

1.16

Accounts payable

Trade accounts payable arise from the purchase of goods and services relating to the Group's operating activities. Other current accounts payable comprise VAT, fair value of derivative liabilities and other accounts payable as well as accrued expenses. Trade accounts payable are stated at cost.

1.17

Provisions

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

1.17.1

Restructuring

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.

1.17.2

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

1.18**Employee benefits****1.18.1****Pension benefits**

The Group operates or participates in both defined contribution and defined benefit plans throughout the world, 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 account of the recommendations of independent qualified actuaries.

Pension costs and obligations relating to defined benefit plans are recognised based on the projected unit credit method. Actuarial gains and losses arising from the periodical assessments of the actuaries are recognised to the extent that they exceed 10 per cent of the higher of the plan assets and the projected benefit obligation. The amount exceeding this “corridor” is amortised over the estimated average remaining service lives of the employees concerned.

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.

1.18.2**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.

1.18.3**Equity compensation benefits**

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. No compensation cost is recognised in the income statement. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital and share premium.

1.19**Share capital****1.19.1****Equity transaction costs**

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

1.19.2**Treasury shares**

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

1.19.3**Dividends**

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

1.20**Revenue presentation and recognition**

Revenue includes sales of rights and license income, (co)productions, advertising revenues and other sales, net of sales deductions such as cash rebates, credit notes, discounts, refunds and VAT. Agency commissions are presented as a deduction from advertising revenues.

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 licenses are recognised when the programme material has been accepted by the licensee as being in accordance with the conditions of the license 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.

1.21**Interest income / expense**

Interest income /expense is accrued using the effective yield method.

1.22

Income tax

Income tax on the profit 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. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet 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. 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 by the balance sheet date.

Deferred tax assets on any deductible temporary difference and on tax loss carry-forwards are recognised to the extent that it is probable that future taxable profits will be available to be offset against deferred tax assets.

1.23

Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

2

Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments:

Television:

RTL Group's television segment comprises interests in 23 television channels in 9 European countries and a range of technical services, covering broadcasting and transmission as well as production and post-production. RTL Group is Europe's largest commercial broadcaster in terms of audience size, number of television stations and number of countries. Following the strategic decision to dispose of its interest in the German pay TV channel Premiere, RTL Group is now focused on free-to-air television.

Content:

RTL Group is a major producer of programmes for television covering a wide range of genres, ranging from action adventure and science fiction to game shows and drama series, situation comedies and sports.

The content segment is divided into three parts: production, distribution and sport rights. Production comprises the production of original programmes for broadcasters; distribution comprises the distribution of programme rights made by RTL Group or acquired/licensed from third-party producers; and sport rights comprises the distribution of television rights and marketing rights (including of advertising space, ticketing and merchandise) for sports events with a focus on soccer.

Radio:

RTL Group's commercial radio segment comprises interests in 18 radio stations in 6 countries.

New Media:

RTL Group's new media segment comprises the Internet activities, in particular more than 90 branded websites of its broadcasters and its formats (game shows and other programme-related websites) as well as acquisitions of interests in Internet companies.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

2.1

Business segments

In EUR million

	Television Pro forma ⁽¹⁾			Content Pro forma ⁽¹⁾			Radio Pro forma ⁽¹⁾			New Media Pro forma ⁽¹⁾			Other operations Pro forma ⁽¹⁾			Eliminations Pro forma ⁽¹⁾			Total Pro forma ⁽¹⁾		
	2001	2000	2000	2001	2000	2000	2001	2000	2000	2001	2000	2000	2001	2000	2000	2001	2000	2000	2001	2000	2000
Revenue from external customers	2,815	2,834	2,037	897	883	566	213	244	183	89	38	32	40	45	36	-	-	-	4,054	4,044	2,854
Inter-segment revenue	51	28	21	251	207	164	-	-	-	2	-	-	24	56	42	(328)	(291)	(227)	-	-	-
Total revenue	2,866	2,862	2,058	1,148	1,090	730	213	244	183	91	38	32	64	101	78	(328)	(291)	(227)	4,054	4,044	2,854
Profit / (loss) from operating activities	(67)	323	211	(2,413)	(104)	(25)	22	73	54	(66)	(38)	(32)	175	56	24	-	(8)	(6)	(2,349)	302	226
Share of results of associates	6	19	14	7	5	3	-	-	-	-	-	-	-	-	-	-	-	-	13	24	17
EBIT	(61)	342	225	(2,406)	(99)	(22)	22	73	54	(66)	(38)	(32)	175	56	24	-	(8)	(6)	(2,336)	326	243
EBITA	297	408	279	48	126	74	26	75	54	(55)	(37)	(31)	(40)	(9)	(12)	-	(8)	(6)	276	555	358
Amortisation of goodwill	(84)	(83)	(63)	(173)	(225)	(96)	(2)	(2)	(1)	-	(1)	(1)	(8)	(6)	(11)	-	-	-	(267)	(317)	(172)
Impairment of goodwill	(286)	-	-	(2,276)	-	-	-	-	-	(11)	-	-	-	-	-	-	-	-	(2,573)	-	-
Gain / (loss) from sale of subsidiaries, joint ventures and other investments	12	17	9	(5)	-	-	(2)	-	1	-	-	-	223	71	47	-	-	-	228	88	57
EBIT	(61)	342	225	(2,406)	(99)	(22)	22	73	54	(66)	(38)	(32)	175	56	24	-	(8)	(6)	(2,336)	326	243
Segment assets ⁽²⁾	3,423	3,168	3,168	2,832	5,125	5,125	169	200	200	37	25	25	248	306	306	-	-	-	6,709	8,824	8,824
Investment in associates	118	43	43	3	16	16	-	-	-	-	-	-	-	-	-	-	-	-	121	59	59
Other assets																			1,223	1,651	1,651
Total assets																			8,053	10,534	10,534
Segment liabilities	1,154	996	996	679	444	444	118	131	131	62	47	47	77	347	347	-	-	-	2,090	1,965	1,965
Other liabilities																			1,360	1,301	1,301
Total liabilities																			3,450	3,266	3,266
Net assets																			4,603	7,268	7,268
Capital expenditure	69	91	83	249	323	164	5	7	19	3	7	6	4	18	10				330	446	282
Depreciation and amortisation excluding goodwill	(87)	(72)	(64)	(181)	(142)	(154)	(6)	(6)	(6)	(5)	(4)	(3)	(84)	(69)	(2)				(363)	(293)	(229)

⁽¹⁾ The pro forma segmental information is unaudited⁽²⁾ The assets of the radio and other operations segments have been restated in 2000 to more appropriately reflect the segmental classification of the related assets.

2.2

Geographical segments

In EUR million

	Germany Pro forma ⁽¹⁾			France Pro forma ⁽¹⁾			Netherlands Pro forma ⁽¹⁾			UK Pro forma ⁽¹⁾			Other regions Pro forma ⁽¹⁾			Total Pro forma ⁽¹⁾		
	2001	2000	2000	2001	2000	2000	2001	2000	2000	2001	2000	2000	2001	2000	2000	2001	2000	2000
Revenue from external customers	2,146	2,093	1,580	619	442	444	317	346	256	822	824	438	150	339	136	4,054	4,044	2,854
Segment assets	2,390	2,585	2,585	1,274	786	786	286	344	344	2,449	4,859	4,859	310	250	250	6,709	8,824	8,824
Capital expenditure	184	196	150	34	50	52	5	8	7	75	168	68	32	24	5	330	446	282

⁽¹⁾ The pro forma segmental information is unaudited

3

Acquisitions

3.1

Acquisitions and increases in interests held in subsidiaries, joint ventures and associates

Details of significant acquisitions in the year ended 31 December 2001 are set out in note 3.2.

Acquisitions have been consolidated using the purchase method of accounting with goodwill being recognised as an asset and amortised over a period not exceeding 20 years. All acquisitions have been included in the consolidated accounts from the date that control has been transferred to the Group.

In aggregate the acquired businesses contributed revenues of EUR 12 million and EBITA of EUR 2 million to the Group for the post acquisition period to 31 December 2001. As at 31 December 2001, their assets and liabilities were EUR 759 million and EUR 492 million respectively.

3.2

Details of acquisitions and increases in interests held in joint ventures and associates

Sportfive Group

In December 2001, the merger of UFA Sports (99.7 per cent owned by RTL Group) and Sport+, the sports rights trading subsidiary of Groupe Canal+ with Groupe Jean-Claude Darmon (28 per cent owned by RTL Group) created an enlarged European TV and sports rights marketing group named "Sportfive".

At year end RTL Group held 44,4 per cent of Sportfive. The aggregate consideration comprised the contribution of 55,6 per cent of UFA Sports amounting to EUR 188 million. Goodwill amounting to EUR 120 million was realised on the acquisition. Reflecting the shareholders' agreement between Groupe Canal+ and RTL Group, the acquisition has been accounted for as a joint venture.

M6 Group

Additional interests were acquired in M6, the French television group during 2001 increasing the interest held to 45.1 per cent. The aggregate consideration was EUR 52 million. This resulted in goodwill of EUR 49 million arising at the RTL Group level.

Antena 3 Group

With effect from December 2001, the Group's 17.2 per cent investment in Antena 3 Group has been equity accounted reflecting RTL Group's significant influence over Antena 3. RTL Group's significant influence over Antena 3 has been established by the year end, as a result of the Group's active participation on the Antena 3 Board and its representation on the recently formed Audit Committee.

Antena 3 has largely been acquired during 2000, firstly as part of the contribution of the assets from Pearson plc, for which a value of EUR 354 million was allocated to the 10 per cent interest in Antena 3, and secondly through a purchase in 2000 for cash amounting to EUR 182 million. As a result of the first time equity accounting of Antena 3, goodwill amounting to EUR 452 million has been recognised (refer to note 5.1.1).

Due to the timing of the acquisition, the fair values of the identifiable assets and liabilities acquired with Sportfive and Antena 3 have been determined on a provisional basis, and are therefore subject to adjustment in 2002.

3.3

Assets and liabilities acquired

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

<i>in EUR million</i>	2001	2000
Purchase consideration:		
■ Cash paid	247	427
■ Fair value of shares issued	354	5,368
■ Fair value of net assets contributed	188	-
Total purchase consideration	789	5,795
Less:		
Fair value of net assets acquired	(148)	(684)
Goodwill	641	5,111

Included in the cash paid on acquisitions of EUR 247 million, is an amount paid in 2000 of EUR 182 million in respect of the acquisition of 7.2 per cent of Antena 3.

The fair value of shares issued of EUR 354 million relates to the acquisition of 10 per cent of Antena 3 in 2000.

3.4

Cash outflow on acquisitions and change in consolidation scope

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

<i>In EUR million</i>	2001	2000
Cash and cash equivalents	20	210
Property, plant and equipment	10	232
Intangible assets	1	20
Financial assets including investment in associates	61	-
Marketable securities	5	48
Current and non current programme rights	32	811
Receivables (trade and other)	217	910
Payables (trade and other)	(174)	(1,254)
Employee benefit obligations	-	(35)
Other post retirement obligations	-	(119)
Other provisions	(19)	-
Interest bearing loans and borrowings	-	(695)
Net deferred tax assets / (liabilities)	(5)	55
Minority interests	-	501
Fair value of net assets acquired	148	684
Goodwill capitalised (see note 5.1)	641	5,111
Total purchase consideration	789	5,795
Less:		
Discharged by shares issued in 2000	(354)	(5,368)
Discharged by cash outflow in 2000 relating to acquisition of Antena 3	(182)	-
Discharged by net assets contributed	(188)	-
Cash and cash equivalents in operations acquired	(20)	(210)
Cash outflow on acquisitions	45	217

4 Consolidated income statement

4.1

Revenue			Pro forma		2000	
	<i>In EUR million</i>		(unaudited)			
	2001	%			2000	%
Net spot advertising sales	2,455	61%	2,571	63%	1,861	65%
Net barter advertising sales	60	1%	40	1%	31	1%
Net other advertising sales	59	1%	70	2%	53	2%
Net advertising sales	2,574	63%	2,681	66%	1,945	68%
Net programme and sport right sales	989	25%	975	24%	643	23%
Other sales	491	12%	388	10%	266	9%
	4,054	100%	4,044	100%	2,854	100%

“Other sales” includes revenue from the provision of technical services amounting to EUR 151 million (2000: EUR 95 million).

4.2

Other operating expense

<i>In EUR million</i>	Notes	2001	2000
Personnel costs	4.2.1	629	405
External cost of live programmes		431	336
External cost of transmitting		130	82
Other marketing, promotion and public relations costs		130	78
Author rights		84	71
Rental costs		77	47
Marketing and promotion costs - barter		33	28
Other		491	335
		2,005	1,382

“Other operating expense” includes restructuring costs amounting to EUR 36 million (2000: EUR Nil).

4.2.1

Personnel costs

<i>In EUR million</i>	2001	2000
Wages and salaries	469	280
Social security	93	59
Pension costs	8	10
Other personnel costs	59	56
	629	405

Personnel costs set out above exclude costs of EUR 92 million (2000: EUR 53 million) included within the consumption of current programme rights in respect to employees directly allocated to the cost of programme production. Pension costs relate to payments in respect of defined contribution plans and costs in respect of defined benefit plans (see note 5.13).

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

	2001	2000
Employees of fully consolidated undertakings	6,025	5,751
Employees of joint ventures	1,210	1,179
	7,235	6,930

The increase in average number of employees is mainly due to changes in the consolidation scope.

4.3

Gain from sale of subsidiaries, joint ventures and other investments

The gain from sale of subsidiaries, joint ventures and other investments relates to the following:

2001

- The disposal of the Group's remaining 5 per cent stake in the German pay TV channel Premiere resulted in a gain of EUR 59 million.
- The contribution of the Group's UFA Sports operations as part of the Sportfive merger (see note 3.2) resulted in a gain of EUR 144 million relating to the disposal of 55.6 per cent of UFA Sports (RTL Group held 44.4 per cent of the combined Sportfive group following the merger).
- Other gains on disposals amounted to EUR 25 million, largely in respect of Serie Club and the Group's Polish television operations (RTL 7).

2000

- Gain of EUR 27 million resulting from the write back of provisions recorded in 1999 against certain risks attached to the disposal of the 45 per cent interest held in the German pay TV channel Premiere which was disposed of in 1999.
- Net proceeds of EUR 20 million received in 2000 from Bertelsmann following the disposal of its 50 per cent stake in SECA. SECA represented a non-contributed asset at the time of the combination of assets by CLT and UFA in 1997.
- Other gains on disposals in 2000 amounted to EUR 10 million.

4.4

Net interest expense

<i>In EUR million</i>	2001	Pro forma 2000 (unaudited)	2000
Interest income	48	73	62
Interest expense	(81)	(109)	(77)
	(33)	(36)	(15)

4.5

Financial results other than interest

<i>In EUR million</i>	2001	Pro forma 2000 (unaudited)	2000
Impairment losses and reversal of impairment on financial assets	(53)	(37)	(29)
Gain / (loss) from sale of other financial assets	(1)	31	30
Other financial results	(1)	9	9
	(55)	3	10

"Impairment losses and reversal of impairment on financial assets" relates to impairment losses recorded against available-for-sale investments.

4.6

Income tax expense

<i>In EUR million</i>	2001	2000
Current tax expense	104	112
Deferred tax expense	(37)	30
	67	142

The tax on the Group profit before tax differs from the theoretical amount that would arise using the Luxembourg tax rate (37.45 per cent) as follows:

<i>In EUR million</i>	2001
Loss before taxes	(2,424)
Goodwill amortisation and impairment	2,840
Other non deductible expense / non taxable income	74
Taxable profit	490
Tax calculated at the Luxembourg tax rate 37.45%	184
Effect of different tax rates in foreign countries	(39)
Effect of German trade tax	33
Income tax adjustments on prior year ⁽¹⁾	(74)
Deferred tax adjustments on prior year ⁽²⁾	(37)
Tax charge	67

⁽¹⁾ mainly due to the realisation of a tax credit in Germany, following the payment of a significant dividend from UFA Film und Fernseh to CLT-UFA German branch

⁽²⁾ mainly due to the creation of tax unity between RTL Group and CLT-UFA

"Other non deductible expense / non taxable income" includes EUR 144 million in respect of the gain recorded on the disposal of UFA Sports as part of the Sportfive merger.

The gain is tax exempt in Germany on the basis that the Group retains its investment in Sportfive in the current shareholder structure for a period of seven years from December 2001. A further condition is that Sportfive holds its investment in UFA Sports for a period of seven years from December 2001. On this basis no current or deferred tax expense has been recorded on the gain on disposal for the year ended 31 December 2001.

4.7

Earnings per share

4.7.1

Basic earnings per share

The calculation of basic earnings per share is based on the net loss attributable to ordinary shareholders of EUR 2,499 million (2000: profit of EUR 77 million) and a weighted average number of ordinary shares outstanding during the year of 153,621,325 (2000: 101,846,966), calculated as follows:

	2001	Pro forma 2000 (unaudited)	2000
Net profit / (loss) attributable to ordinary shareholder	(2,499)	67	77
Weighted average number of ordinary shares:			
Issued ordinary shares at 1 January	154,787,554	154,787,554	63,402,101
Effect of own shares held	(1,166,229)	-	(1,197,081)
Effect of shares issued in July 2000	-	-	38,709,072
Effect of shares issued in September 2000	-	-	932,874
Weighted average number of shares	153,621,325	154,787,554	101,846,966
Basic earnings per share (in EUR)	(16.27)	0.43	0.76

4.7.2

Diluted earnings per share

The calculation of diluted earnings per share is based on the net loss attributable to ordinary shareholders of EUR 2,499 million (2000: profit of EUR 77 million) and a weighted average number of ordinary shares (adjusted for the impact of any dilution) outstanding during the year of 153,621,325 (2000: 101,848,089), calculated as follows:

	2001	Pro forma 2000 (unaudited)	2000
Weighted average number of shares	153,621,325	154,787,554	101,846,966
Effect of share options in issue	-	3,095,751	1,123
Weighted average number of shares (diluted)	153,621,325	157,883,305	101,848,089
Diluted earnings per share (in EUR)	(16.27)	0.42	0.76

For 2001, there is no dilutive impact of the share option plan or the Vivendi put option, as all options are out of the money and are therefore anti-dilutive.

For purpose of the 2000 pro forma diluted earnings per share, the number of authorised ordinary shares is 157,883,305 as Pearson plc had the right to purchase a further 2 per cent of the share capital of RTL Group under certain conditions.

5 Consolidated balance sheet

5.1

Programme and sport rights, goodwill and other intangible assets

In EUR million

	Sport rights	(Co)- productions	Distribution and broadcasting rights	Advance payments and (co)productions in progress	Total Programme and sport rights	Goodwill	Other intangible assets
Cost							
Balance at 1 January 2001	141	593	705	65	1,504	6,085	97
Effect of movements in foreign exchange	-	(5)	(4)	-	(9)	(28)	(1)
Additions	23	15	156	60	254	-	10
Disposals	-	-	(24)	-	(24)	-	(1)
Change in consolidation scope	(52)	1	-	(3)	(54)	(8)	-
Subsidiaries, joint ventures and associates acquired	-	-	-	-	-	641	-
Transfers and other changes (see note 5.1.2)	(15)	19	71	(68)	7	(45)	(1)
Balance at 31 December 2001	97	623	904	54	1,678	6,645	104
Amortisation							
Balance at 1 January 2001	(23)	(570)	(496)	-	(1,089)	(355)	(70)
Effect of movements in foreign exchange	-	5	3	-	8	7	1
Amortisation charge for the year	(35)	(40)	(182)	-	(257)	(267)	(13)
Impairment losses recognised for the year	-	(10)	(2)	-	(12)	(2,573)	-
Disposals	-	-	24	-	24	-	1
Change in consolidation scope	23	(1)	-	-	22	7	1
Transfers and other changes	15	-	(24)	-	(9)	63	1
Balance at 31 December 2001	(20)	(616)	(677)	-	(1,313)	(3,118)	(79)
Carrying amount							
At 31 December 2000	118	23	209	65	415	5,730	27
At 31 December 2001	77	7	227	54	365	3,527	25

Net intangible assets held under finance leases at 31 December 2001 amount to EUR 18 million (2000: EUR 45 million).

5.1.1

Impairment losses recognised for the year

In accordance with IAS 36 “Impairment of Assets”, the carrying values of the Group’s holdings in FremantleMedia (previously Pearson Television) and Antena 3 at 31 December 2001 have been compared to their recoverable amount, represented by the higher of their net selling price and value in use.

The cash generating units of FremantleMedia have been identified as production, distribution and transmission. The recoverable amounts of all the above cash generating units are based on a value in use calculation.

The value in use has been derived from discounted cash flow projections which cover the five years from 1 July 2001 and 1 January 2002 in respect of FremantleMedia and Antena 3 respectively. After the five year period, the projections use a long-term growth rate compatible with the projections for the operations concerned. The discount rate used to arrive at this calculation was 10 per cent as a pre-tax basis.

The review has resulted in a EUR 2,562 million charge being recognised in the income statement. The charge has been allocated to the goodwill arising on the acquisition of FremantleMedia and Antena 3 respectively in 2000 and 2001. The impairment losses recognised in the income statement result from the significant deterioration in equity market valuations during the period since July 2000 and additionally in the case of FremantleMedia the downsizing of the production and distribution business in the United States.

A summary of the main impairment losses is shown below:

<i>In EUR million</i>			
Business unit	Pre-tax discount rate	Impairment loss	Primary Segment
FremantleMedia	10%	2,276	Content
Antena 3	10%	286	Television

The remaining goodwill of EUR 2,112 million and EUR 166 million in respect of FremantleMedia and Antena 3 respectively will be amortised over 20 years in accordance with the Group’s accounting policy.

5.1.2

FremantleMedia Goodwill Hindsight Adjustment

Included within “Transfers and other changes” is EUR 17 million in respect of additional goodwill recognised following the downward revision of the provisional fair values allocated to FremantleMedia in 2000. The adjustment largely relates to the write down of programme rights and advances offset by the write back of liabilities waived following the acquisition.

5.2

Property, plant and equipment

In EUR million

	Lands, buildings and improvements	Technical equipment	Other	Total
Cost				
Balance at 1 January 2001	291	350	173	814
Effect of movements in foreign exchange	(1)	(2)	(1)	(4)
Additions	7	25	32	64
Disposals	(2)	(11)	(11)	(24)
Change in consolidation scope	1	2	4	7
Transfers and other changes	3	3	(5)	1
Balance at 31 December 2001	299	367	192	858
Depreciation				
Balance at 1 January 2001	(89)	(237)	(106)	(432)
Effect of movements in foreign exchange	-	1	-	1
Depreciation charge	(18)	(45)	(30)	(93)
Disposals	1	9	9	19
Change in consolidation scope	-	(2)	-	(2)
Transfers and other changes	(1)	-	1	-
Balance at 31 December 2001	(107)	(274)	(126)	(507)
Carrying amount				
At 31 December 2000	202	113	67	382
At 31 December 2001	192	93	66	351

Net tangible assets held under finance leases at 31 December 2001 amount to EUR 16 million (2000: EUR 16 million).

5.3

Investments in associates

In EUR million

	2001	2000
Balance at 1 January	59	28
Effect of movements in foreign exchange	1	(2)
Share of result after tax ⁽¹⁾	25	30
Dividend distribution	(31)	(7)
Change in consolidation scope ⁽²⁾	67	10
Balance at 31 December	121	59

⁽¹⁾ excluding losses in excess of the investment in associates amounting to EUR 12 million (2000: EUR 13 million)

⁽²⁾ "Change in consolidation scope" relates to the first time equity accounting of Antena 3 Group with effect from 31 December 2001

Goodwill arising on investments in associates is recorded in the balance sheet under the line "Goodwill". The carrying amount of goodwill in associates at 31 December 2001 amounts to EUR 189 million (2000: EUR 98 million).

5.4

Loans and other financial assets

In EUR million

	2001	2000
Loans to associates	8	11
Other loans and financial assets	381	282
Other investments	94	743
	483	1,036

Other loans and financial assets include an amount of EUR 187 million (2000: EUR 110 million) in respect of a loan to Channel 5 and EUR 172 million in respect of restricted cash balances. The restricted cash relates to the sale and leaseback of intellectual property rights (see note 5.10) and deferred consideration payable following the acquisition of Talkback Productions.

5.4.1

Available-for-sale investments

<i>In EUR million</i>	
	2001
Balance at 1 January	
Non current (see note 5.4)	743
Current (see note 5.8)	69
	812
Fair value adjustment on opening balance (adoption of IAS 39)	117
Restated balance at 1 January	929
Net acquisitions / (disposals)	(65)
Revaluation deficit	(168)
Other changes	(536)
Balance at 31 December	160
Non current (see note 5.4)	94
Current (see note 5.8)	66
	160

“Revaluation deficit” includes EUR 39 million that has been transferred to the income statement, with the balance being recognised in “Other reserves”. The amount recognised to “Other reserves” includes EUR 46 million in respect of a downward fair value adjustment of the Group’s investment in Via Digital (see note 5.14.4).

“Other changes” relate to the first time equity consolidation of the Group’s investment in Antena 3 with effect from 31 December 2001.

5.5

Deferred tax assets and liabilities

<i>In EUR million</i>		
	2001	2000
Deferred tax assets	112	102
Deferred tax liabilities	(45)	(53)
	67	49

Deferred taxes are calculated, in full, on temporary differences under the liability method.

The movement on the deferred tax account is as follows:

<i>In EUR million</i>		
	2001	2000
Balance at 1 January	49	51
Deferred tax adjustment for the adoption of IAS 39		
Available-for-sale investments	(47)	-
Derivative financial investments	(36)	-
Restated balance at 1 January	(34)	-
Income statement credit / (charge)	37	(30)
Tax credited to equity (see note 5.14.4)	69	(40)
Change in consolidation scope	(5)	25
Subsidiaries and joint ventures acquired	-	43
Balance at 31 December	67	49

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

<i>In EUR million</i>				
Deferred tax assets	Provisions	Programme rights	Tax losses	Total
Balance at 1 January 2001				102
Set off of tax				22
	25	62	37	124
Credited / (charged) to income statement	3	3	(22)	(16)
	28	65	15	108
Set off of tax				4
Balance at 31 December 2001				112
Deferred tax liabilities		Property, plant and equipment	Other	Total
Balance at 1 January 2001				(53)
Set off of tax				(22)
		(9)	(66)	(75)
Credited to income statement		4	49	53
Charged to equity		-	(14)	(14)
Change in consolidation scope		-	(5)	(5)
		(5)	(36)	(41)
Set off of tax				(4)
Balance at 31 December 2001				(45)

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 fiscal authority.

Deferred tax assets are recognised for tax loss 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 EUR 8.1 billion (2000: EUR 187 million) to carry forward against future taxable income.

5.6

Current programme rights

In EUR million

	Gross Value	2001 Valuation allowance	Net value	2000 Net value
(Co)productions	449	(188)	261	287
Children's programme rights	6	-	6	6
TV programmes	43	-	43	17
Other distribution and broadcasting rights	745	(99)	646	679
Sub-total programme rights	1,243	(287)	956	989
(Co)productions and programmes in progress	73	(15)	58	71
Advance payments on (co)productions, programmes and rights	47	-	47	27
Sub-total programme rights in progress	120	(15)	105	98
	1,363	(302)	1,061	1,087

5.7

Accounts receivable

In EUR million

	Under 1 year	2001 Over 1 year	Total	Under 1 year	2000 Over 1 year	Total
Trade accounts receivable	785	9	794	666	7	673
Accounts receivable from associates	27	-	27	56	-	56
Accrued interest on loans and other financial assets	-	34	34	-	19	19
Fair value of derivative assets	51	-	51	-	-	-
Other accounts receivable	402	35	437	446	14	460
	1,265	78	1,343	1,168	40	1,208

"Other accounts receivable" includes amounts due within one year in respect of VAT receivable amounting to EUR 70 million and prepaid expenses amounting to EUR 80 million.

5.8

Marketable securities and other short-term investments

In EUR million

	2001	2000
Available-for-sale investments (see note 5.4.1)	66	69
Fixed term deposits (> 3 months)	2	2
Other short term investments	10	10
	78	81

5.9

Cash and cash equivalents (see note 6.8)

In EUR million

	2001	2000
Cash in hand and at bank	146	145
Fixed term deposits (<3 months)	147	63
Other cash equivalents	9	10
	302	218

5.10

Loans and bank overdrafts

In EUR million

	2001	2000
Current liabilities		
Bank overdrafts	220	244
Bank loans payable and bonds	64	26
Current portion of other non current loans payable	33	197
Leasing liabilities	4	2
Other current loans payable	605	286
	926	755
Non current liabilities		
Bank loans payable and bonds	23	171
Other non-current loans payable	155	76
Leasing liabilities	108	88
	286	355

Term and debt repayment schedule (see note 6.8)

In EUR million

	Under 1 year	2001 1-5 years	Over 5 years	Total carrying amount
Bank overdrafts	220	-	-	220
Bank loans payable	64	21	2	87
Other loans payable	638	2	153	793
Leasing liabilities	4	37	71	112
	926	60	226	1,212

5.10.1

Leasing liabilities

In EUR million

	2001	2000
Less than one year	4	2
Between one and five years	37	22
More than five years	71	66
	112	90

Leasing liabilities includes EUR 76 million in respect of the sale and leaseback of intellectual property rights.

5.11

Accounts payable

In EUR million

	2001	2000
Current accounts payable		
Amounts due to associates	33	25
Trade accounts payable	1,025	999
Fair value of derivative liabilities	17	-
Other accounts payable	590	552
	1,665	1,576
Non current accounts payable		
Other accounts payable		
Between one and five years	205	166
More than five years	-	28
	205	194

5.12

Provisions

In EUR million

	Employee benefits (1)	Losses of unlimited entities	Litigation	Restructuring	Onerous contracts and other provisions	Total
Balance at 1 January 2001	101	48	13	1	86	249
Provisions made during the year	32	1	6	4	32	75
Provisions used during the year	(28)	-	(7)	-	(45)	(80)
Provisions reversed during the year	(10)	-	(1)	(1)	(15)	(27)
Change in consolidation scope	1	-	6	-	9	16
Other changes	(2)	(3)	(2)	-	(3)	(10)
Balance at 31 December 2001	94	46	15	4	64	223

(1) Employee benefits comprise provisions for defined benefit obligations for EUR 63 million (2000: EUR 64 million), provisions for defined contribution obligations of EUR 6 million (2000: EUR 6 million) and provisions for other employee benefits of EUR 25 million (2000: EUR 31 million).

5.13

Employee benefits

RTL Group operates or participates in a number of defined benefit and defined contribution plans throughout Europe. These plans have been set up, and are operated, in accordance with national laws and regulations. A description of the principal plans is given below:

Luxembourg

Employees of RTL Group, CLT-UFA and Broadcasting Center Europe participate in an unfunded defined benefit plan which provides pension benefits to members at retirement.

Germany

Employees of UFA Berlin Group, UFA Sports, UFA Film & Fernseh and CLT-UFA (German branch) participate in the multi-employer Bertelsmann plan. The plan is unfunded and defined benefit in nature. Each employer which participates in this plan has separately identifiable liabilities.

France

Both RTL (Ediradio and ID) and IP operate retirement indemnity plans, which, by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at date of termination of employment in accordance with the applicable collective agreement. The RTL retirement indemnity plan is partly funded by an insurance contract.

UK

FremantleMedia (formerly Pearson Television) operates the RTL Group UK Pension Plan ("the RTL UK Plan"), which was established on 29 December 2000.

Employees of FremantleMedia were invited to join the RTL UK Plan with effect from this date. The RTL UK Plan provides both defined benefit and defined contribution benefits.

Prior to 29 December 2000, FremantleMedia participated in the Pearson Group Pension Plan, a plan operated for employees of Pearson plc. As the assets and liabilities under the Pearson plan attributable to FremantleMedia were not separately identifiable, prior to 2001 FremantleMedia's participation in the Pearson plan has been accounted for as defined contribution in accordance with the multi-employer accounting rules of IAS 19 (revised 2000). Following the set-up of the RTL UK Plan, employees of FremantleMedia were given the option of either transferring their accrued benefits under the Pearson plan to the RTL UK Plan or leaving them deferred within the Pearson plan.

The principal actuarial assumptions are as follows:

	2001 % a year	2000 % a year
Expected return on plan assets at 31 December	5.0 – 7.25	5.0
Discount rate at 31 December	5.5 – 6.0	5.5 – 6.0
Future salary increases	3.0 – 4.25	3.0 – 4.0
Medical cost trend rate	2.0 – 2.25	2.0
Future pension increases	2.0 – 4.0	2.0

The amounts recognised in the balance sheet are determined as follows:

In EUR million	2001	2000
Present value of funded obligations	23	16
Fair value of plan assets	(11)	(3)
	12	13
Present value of unfunded obligations	53	57
Unrecognised actuarial losses	(2)	(6)
Liability in the balance sheet (see note 5.12)	63	64

The amounts recognised in the income statement are as follows:

In EUR million	2001	2000
Current service cost	8	4
Interest cost	3	3
Settlements and curtailments	(2)	-
Total included in personnel costs (see note 4.2.1)	9	7

Movements in the liability recognised in the balance sheet are as follows:

<i>In EUR million</i>	2001	2000
Balance at 1 January	64	29
Changes in consolidation scope	-	29
Total expense	9	7
Contributions paid	(7)	(1)
Other changes	(3)	-
Balance at 31 December	63	64

5.14

Shareholders' equity

5.14.1

Share capital

As at 31 December 2001, the subscribed capital amounts to EUR 192 million (2000: EUR 192 million) and is represented by 154,787,554 fully paid-up ordinary shares, without nominal value. All shares have the same rights and entitlements.

5.14.2

Treasury shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group.

At 31 December 2001, the Group holds 1,168,701 own shares (2000: 1,110,136) at a cost of EUR 44 million (2000: EUR 39 million).

5.14.3

Dividends

At the Annual General Meeting on 17 April 2002, a dividend in respect of 2001 of EUR 0.50 per share is to be proposed.

These financial statements do not reflect the proposed dividend payable, which will be accounted for as an appropriation of retained earnings in 2002.

The dividend in respect of 2000 amounted to EUR 0.85 per share (EUR 131 million).

5.14.4

Other reserves

An analysis of the movement on "Other reserves" is set out below:

<i>In EUR million</i>	Revaluation reserve (available-for-sale investments)	Hedging reserve	Currency translation reserve	Total
Balance at 1 January 2001	-	-	(2)	(2)
Adjustment for the adoption of IAS 39	70	55	-	125
Restated balance at 1 January 2001	70	55	(2)	123
Effect of movements in foreign exchange	-	-	(39)	(39)
Fair value adjustments	(50)	4	-	(46)
Transfers to income statement	(35)	-	-	(35)
Transfers to acquisition cost of programme rights	-	(39)	-	(39)
Balance at 31 December 2001	(15)	20	(41)	(36)

With effect from 1 January 2001, the Group applied IAS 39 "Financial Instruments: Recognition and Measurement".

The application of IAS 39 has resulted in the Group recognising available-for-sale investments at fair value, changing its method of accounting for hedging transactions and recognising all derivative financial instruments and assets or liabilities (including derivative assets and liabilities that were previously held off-balance sheet) at fair value.

This change has been accounted for by adjusting the opening balance of "Other reserves". Comparatives have not been restated. The table shows the impact on the opening balance sheet of EUR 125 million relating to the fair value of cash flow hedges, largely in respect of off-balance sheet commitments, and the revaluation of available-for-sale investments (see note 5.4.1 and 5.5). The fair value adjustment for the period mainly relates to available-for-sale investments.

The currency translation movement for the year, amounting to EUR 39 million, includes EUR 20 million in respect of translation differences that have been recognised directly through equity. The translation differences are in respect of loans that have been designated to form part of the Group's net investment in specific undertakings, as the repayment of the loan is not anticipated within the foreseeable future. Accordingly, as prescribed by IAS 21 "The Effects of Changes in Foreign Exchange Rates", such exchange differences have been recognised directly through equity.

5.15

Reconciliation with Luxembourg generally accepted accounting principles (“GAAP”)

The reconciliation of shareholders’ equity and net losses as reported by the Group for the year ended 31 December 2001 with Luxembourg accounting principles is as follows:

Shareholders' equity under IAS at 31 December 2001	
<i>In EUR million</i>	4,585
Accounting for treasury shares	44
Accounting for financial instruments	(3)
Shareholders' equity under Luxembourg GAAP at 31 December 2001	4,626
Net loss under IAS for 2001	(2,499)
Accounting for financial instruments	2
Net loss under Luxembourg GAAP for 2001	(2,497)

Treasury shares (SIC 16)

Under Luxembourg GAAP, treasury shares are held at the lower of cost and market value and are classified under securities and other short term investments.

Under IAS, these shares are classified as a deduction of shareholders’ equity.

Financial instruments (IAS 39)

IAS 39 covers the recognition, derecognition and measurement of derivatives, all monetary assets and liabilities on a company’s balance sheet and its equity investments. The standard imposes strict limits on the use of hedge accounting, even for hedges that are economically effective.

The principal difference between IAS 39 and Luxembourg GAAP is summarised below:

- Derivative instruments are recognised on the balance sheet and measured at fair value under IAS 39. Under Luxembourg GAAP, derivatives used for hedging purposes are not fair valued and are not recognised separately.
- Under IAS 39, gains and losses arising from changes in fair values of derivatives are recognised in the income statement, except when strict hedge effectiveness criteria are satisfied in which case charges in fair value are deferred to shareholder’s equity. Under Luxembourg GAAP, as no fair value adjustments are recorded, such gains and losses are not recognised.
- Under Luxembourg GAAP, investments in equity and debt instruments are carried at cost or amortised cost. Such investments are measured at fair value under IAS 39. In addition, the gains and losses on such investments have been deferred to shareholder’s equity pending the sale of the investment.

6

Commitments and contingencies

<i>In EUR million</i>	2001	2000
Commitments and endorsements given	562	687
Contracts for purchasing rights, (co)productions and programmes	2,591	2,653
Operating leases	443	468
Other long-term contracts and commitments	443	366

6.1

Contract for purchasing rights, (co)productions and programmes

The Group has signed commitments to purchase audiovisual rights and programmes and to conclude agreements for (co)production rights amounting to EUR 2,591 million (2000: EUR 2,653 million).

6.2

Operating leases

Non-cancellable operating lease rentals payable are as follows:

<i>In EUR million</i>	Under 1 year	1-5 years	Over 5 years	Total
Leasing of satellite transponders	36	132	56	224
Other operating leases	40	142	37	219
	76	274	93	443

6.3

Other long term contracts and commitments

The Group has “Other long-term contracts and commitments” amounting to EUR 443 million at 31 December 2001 (2000: EUR 336 million). These relate to a number of items including broadcasting licenses, distribution and transmission arrangements and production services.

6.4

Licence agreement

In the course of their activities, several Group companies benefit from frequency licence agreements which commit the Group in various ways, depending upon the legal regulation in force in the countries concerned. Entities concerned include, inter alia, CLT-UFA in Luxembourg and Channel 5 in the United Kingdom.

On 16 January 1995 the Government of the Grand Duchy of Luxembourg and CLT signed a protocol agreement (the “protocol”) defining a global agreement to renew the CLT-UFA broadcasting licences until 31 December 2010. The term of this protocol were implemented by legal acts and other procedures in 1995. The protocol confirms the residence of CLT-UFA in Luxembourg and reinforces its link with the Grand Duchy.

The protocol came into operation in January 1996 and was subsequently renegotiated following the contribution by Bertelsmann of its subsidiary UFA to CLT.

The amended protocol of 16 December 1996, while approving the CLT-UFA restructuring maintained the principles set out in the original protocol.

As the Luxembourg government has the right to approve major changes in the shareholding of CLT-UFA, the combination with Audiofina and Pearson Television has led to the renegotiation of the amended protocol.

Under the revised protocol signed with the Government on 25 July 2000, RTL Group and CLT-UFA will remain Luxembourg companies with their headquarters in Luxembourg although certain headquarter services, such as programme production activities, may be located outside Luxembourg. The structural and financial provisions of the revised protocol, maintaining the principles agreed in the former protocols, provide that CLT-UFA does not have to pay broadcasting licence fees but is responsible for, and must provide funding for, the Luxembourg public radio and TV service during the licence period up to a ceiling of EUR 124 million over 15 years.

6.5

Put option on RTL Group shares

On 6 April 2000, the Company granted to Vivendi an option to acquire 600,000 RTL Group shares. The option was granted in consideration of Vivendi waiving certain rights against Groupe Bruxelles Lambert and RTL Group. The option is exercisable once, for the whole 600,000 shares, at an exercise price of EUR 114 per share at any time up until 1 April 2002.

6.6

Special rights of Pearson plc on RTL Group shares

Pursuant to the shareholders' agreement between RTL Group, GBL/Electrafina, BWTV, a subsidiary of Bertelsmann, and Pearson, RTL Group grants Pearson the right to subscribe for or, at the option of the Board of Directors of RTL Group, to purchase from RTL Group or a member of the Group up to such number of additional RTL Group shares as is equal to an aggregate of 2 per cent of the fully diluted share capital (ignoring for this purpose options granted to employees pursuant to the share option schemes) of the Company at the date of any exercise of the right (the “Contingent Right”). The right may be exercised on each occasion on which the Company issues additional RTL Group shares (or other classes of equity interests with the right to vote at general meetings) without prorata subscription rights in favour of Pearson or its affiliates as a result of which the proportion of the shares owned by Pearson or its affiliates would have fallen below 20 per cent of the total issued share capital of RTL Group.

The maximum number of shares issuable on any exercise of the rights is limited to the lesser of (x) such number

of shares as would result in Pearson and its affiliates holding in aggregate 20 per cent of the issued share capital of the Company and (y) such number of RTL Group shares as, together with any other RTL Group shares acquired pursuant to this Contingent Right, equals 2 per cent of the fully diluted share capital at the date of exercise. The price per share payable by Pearson on exercise of the right shall be EUR 160 if it is exercised prior to 31 December 2001, EUR 170 if it is exercised after that date and prior to 31 December 2002 and EUR 180 if it is exercised after that date and prior to 31 December 2003. The Contingent Right shall lapse on the earliest to occur of 31 December 2003, the date on which the number of shares held by the Alliance Parties (GBL/Electrafina and BWTV) on a 50 : 50 basis has been reduced to less than a majority per cent of the aggregate issued shares of RTL Group (unless the reduction of the shareholding by the Alliance Parties was caused by BWTV, Electrafina or GBL transferring all or part of their shareholding or not subscribing for newly issued shares in accordance with their respective rights), and the date on which there has been issued to Pearson (and its affiliates) additional RTL Group shares (beyond its initial holding) equal to 2 per cent of the fully diluted share capital as at the date of any exercise of the right.

Following the acquisition by Bertelsmann of Pearson's 22 per cent participation in RTL Group, the shareholders' agreement between RTL Group, GBL/Electrafina, BWTV and Pearson has been terminated, with effect from 31 January 2002. As a result the special rights of Pearson have lapsed.

6.7

Share option plan

RTL Group Stock Option Plan

At 25 July 2000 the Group established a share option programme for certain directors and employees.

Eligibility

All participants in the Stock Option Plan ("SOP") must be employed by a member of RTL Group at the time of the grant of options under the SOP.

Grant

The number of options granted to a participant under the SOP are at the discretion of the compensation committee, being the Board of Directors of the Company or a duly constituted committee thereof, established amongst other things, for the purpose of operating the SOP. Participants may renounce options granted to them. Participants will not be required to pay any sum in respect of the grant of any options to them under the SOP.

Scheme Limits

The number of ordinary shares which may be placed under option under the SOP in any year may not be more than a half per cent of the Company's issued ordinary share capital.

Exercise Price

The exercise price to be paid by a participant in order to exercise options which are granted under the SOP will be the average closing middle market price of shares in the Company on the London Stock Exchange over twenty dealing days preceding the date of grant or such other, higher or lower, amount as determined by the compensation committee.

Exercise

Options will normally be exercisable as to one third on each of the second, third and fourth anniversaries of the date of grant or in accordance with such other vesting schedule as determined by the compensation committee. Options must normally be exercised before the expiry of 10 years from the date of grant or such shorter period as determined by the compensation committee. Options may be exercised earlier in the event of death.

Movements in the number of share options are as follows:

<i>In thousands of options</i>	2001	2000
Options outstanding at the beginning of the year	492	-
Options issued during the year	14	492
Options exercised during the year	-	-
Options expired during the year	(56)	-
Options outstanding at the end of the year	450	492

Share options outstanding (in thousands) at the end of the year have the following terms:

Expiry date	Exercise price (in EUR)	Number of options
Prior to 2010	120.00	18
2010	85.24	356
2010	120.00	62
2011	85.24	14
		450

The Metropole Television (M6) Employee Share Option Plan

M6 has established an employee share option plan open to directors and certain employees within the Group.

The number of options granted to a participant is determined by the Board of Directors of Metropole Television in accordance with the authorisation given by the General Meeting of Shareholders.

Options were originally granted under the plan in September 1998, December 1998, June 1999, January 2000 and June 2001. Options granted in September and December 1998 may only be exercised after the expiry of three years from the date of grant and must be exercised before the expiry of 7 years from the date of grant. Options granted in June 1999 and January 2000 may only be exercised after the fifth anniversary of the date of grant and must be exercised before the seventh anniversary of the date of grant. Options granted in June 2001 may only be exercised after the fourth anniversary of the date of grant and before its seventh anniversary.

The price to be paid to exercise each of the remaining options is 95 per cent of the average value of shares in Metropole Television on the Paris Stock Exchange over the twenty trading days preceding the date of grant.

Movements in the number of share options are as follows:

<i>In thousands of options</i>	2001	2000
Options outstanding at the beginning of the year	2,434	1,910
Options issued during the year	552	524
Options exercised during the year	(215)	-
Options expired during the year	-	-
Options outstanding at the end of the year	2,771	2,434

Shares options outstanding (in thousands) at the end of the year have the following terms:

Expiry date	Exercise price (in EUR)	Number of options
2 September 2005	14.10	510
4 December 2005	13.64	605
4 June 2006	18.80	580
19 January 2007	44.71	175
26 May 2007	58.58	349
6 June 2008	30.80	552
		2,771

Sportfive Stock Option Plan

On 11 December 1997, the General Meeting of Shareholders of Groupe Jean-Claude Darmon (subsequently renamed Sportfive) authorised a share option programme for certain directors and employees of the Company and its subsidiaries.

All participants in the stock option plan (the "SOP") must be employed by Sportfive or one of its subsidiaries at the time of granting the options under the SOP.

The number of options granted to a participant under the SOP are at the discretion of the Board of Directors.

The number of ordinary shares which may be placed under option as part of the SOP may not be more than 5 per cent of the Company's issued ordinary share capital.

The exercise price of the options granted under the SOP will be based on the average closing middle market price of the shares

in the Company on the Paris stock Exchange over the twenty dealing days preceding the date of grant or such other, higher or lower, amount as determined by the Board of Directors. Options were originally granted under the plan in December 1997 and September 2000. Options granted in December 1997 may only be exercised after the fifth anniversary of the date of the grant and must be exercised before the expiry of 7 years from the date of the grant. Options granted in September 2000 may only be exercised after the fourth anniversary of the date of the grant and must be exercised before the expiry of 6 years from the date of the grant.

In addition, due to the specific context of the merger of UFA Sports and Sport+ with Groupe Jean-Claude Darmon (renamed Sportfive), the options are exercisable within the public offer on Sportfive shares launched by RTL Group and Canal+ Group between 25 January 2002 and 27 February 2002.

As a consequence, if all participants in the SOP decide to exercise, the company would be liable to social taxes for an amount up to a maximum of EUR 6 million.

Movements in the number of share options are as follows:

<i>In thousands of options</i>	2001	2000
Options outstanding at the beginning of the year	135	119
Options issued during the year	-	32
Options exercised during the year	-	-
Options expired during the year	(3)	(16)
Options outstanding at the end of the year	132	135

Share options outstanding (in thousands) at 31 December 2001 have the following terms:

Expiry date	Exercise price (in EUR)	Number of options
2004	32.32	103
2006	112.32	29
		132

The outstanding number of share options granted to the Directors of the Company as at 31 December 2001 was 52,413.

Following the merger of UFA Sports and Sport+ with Groupe Jean-Claude Darmon (renamed Sportfive), the current share option arrangements are being reconsidered.

6.8

Financial instruments

Financial risks of the Group mainly comprise the Group's exposure to foreign currency risk in respect of purchases and sales of programme rights and to interest rate risk in relation to the Group's debt. 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 contracts and interest rate swaps.

Group Treasury carries out risk management activities in accordance with Treasury policies approved by the Board of Directors. The Board has issued written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and the investment of excess liquidity.

Foreign exchange risk

Economic view

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, including most notably exposures to USD and GBP. For the Group as a whole, cash flow, net income and net worth are optimised by reference to EUR. Foreign exchange risk faced by individual Group companies, however, are managed or hedged against the functional currency of the relevant entity.

Group Treasury periodically collects from the companies' forecasts of foreign currency exposures arising from signed output deals and programme rights in order to monitor the Group's overall foreign currency exposure. Entities exposed to foreign currency risk are responsible for hedging their exposures in accordance with the Treasury policies approved by the Board. Companies in the Group use forward contracts, transacted with Group Treasury, to hedge their exposure to foreign currency risk. Group Treasury is responsible for hedging the net position in each currency by using external foreign currency derivative contracts. The foreign currency management policy of the Group is to hedge 100 per cent of the recognised monetary foreign currency exposures arising from cash, receivables, payables, loans and borrowings denominated in currencies other than EUR. Group companies' hedge about 70 per cent of known cash flows linked to programme rights, which constitute firm commitments, and between 20 per cent and 50 per cent of longer term (between 2 and 5 years) forecasted cash flows arising from foreign currency denominated output deals.

Impact of IAS 39

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

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

- Hedged foreign currency exposure relates to programme right transactions which have not yet been recognised on-balance sheet (such as forecasted or firm purchases of programme rights, for which the license period has not yet begun).
- Amounts are sufficiently material to justify the need for hedge accounting.

The number of foreign currency cash flow hedge relationships amounts to 221 at year-end 2001. Those transactions account for 95.5 per cent of the total fair value of foreign currency derivatives at that date.

In EUR million

	2001	2000
Fair value of forward foreign exchange contracts (cash flow hedge)	32	91
Fair value of other forward foreign exchange contracts	2	-
	34	91

Interest rate risk

The management of interest rate risk is centralised at the level of Group Treasury. The Group has no significant interest bearing investments.

The objective of the interest rate risk management policy is to minimise the interest rate funding cost over the long term.

The Group believes this objective is more likely to be achieved with floating rate rather than fixed rate debt in a positive yield curve environment. This policy will be maintained as long as the Treasury and Risk Management Committee judges the level of the interest cover appropriate. Interest rate derivatives are only used if they hedge existing interest rate liabilities and satisfy the stringent criteria of hedge accounting.

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.

There were no interest rate derivative transactions outstanding at 31 December 2001.

In respect of income-earning financial assets and interest-bearing financial liabilities, the table opposite indicates their effective interest rates at balances sheet date and the periods in which they reprice:

<i>In EUR million</i>	Notes	Effective Interest Rate	Total	Under 6 months	6-12 months	1-2 years	2-5 years	Over 5 Years
Cash and cash equivalents	5.9	3.1%	156	156	-	-	-	-
Secured bank loans (GBP, floating rates)	5.10	5.4%	(6)	(6)	-	-	-	-
Unsecured bond issues (EUR, fixed rates)	"	5.1%	(62)	-	(62)	-	-	-
Commercial paper (EUR)	"	3.6%	(602)	(599)	(3)	-	-	-
Leasing liabilities	"	4.3%	(112)	(19)	-	(3)	(19)	(71)
Unsecured bank facilities (EUR)	"	3.4%	(20)	(20)	-	-	-	-
Bank overdrafts	"	2.0%	(220)	(220)	-	-	-	-
Non current loans payable	"	6.4%	(190)	(190)	-	-	-	-
			(1,056)	(898)	(65)	(3)	(19)	(71)

The majority of bank and other loans payable are short-term, EUR denominated and subject to floating rate interest charges. The carrying amounts disclosed above approximate the fair value of the related cash balances, borrowings, lease obligations and other interest bearing financial liabilities.

Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit

facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Group Treasury monitors on a monthly basis the level of the "Liquidity Head Room" (total committed facilities minus current utilisation). The "Liquidity Head Room" amounts to EUR 1,185 million at year-end.

7 Related parties

Identity of related parties

As at 31 December 2001 the principal shareholders of the Group are Bertelsmann AG and BWTV (67 per cent) and Pearson plc (22 per cent). The remainder of the Group's shares are publicly listed on the London, Brussels and Luxembourg stock exchanges.

The Group also has a related party relationship with its associates, joint ventures and with its Directors.

Transactions with shareholders

During the year RTL Group acquired three companies from Bertelsmann (Bertelsmann Broadband Group, GameChannel and HomeNet) for an aggregate amount of EUR 15 million. As at December 2001, these investments have been impaired resulting in losses amounting to EUR 15 million.

<i>In EUR million</i>	
Goodwill amortisation and impairment	8
Impairment losses included in financial result other than interest	7
	15

During the year the Group made sales of goods and services and purchases of goods and services to Bertelsmann amounting to EUR 14 million and EUR 8 million respectively. At the year end, the Group had receivables and payables due from / to Bertelsmann amounting to EUR 2 million and EUR 8 million respectively. In addition the Group has granted certain rights to Pearson plc in respect of subscribing to the shares of the Group (see note 6.6).

Transactions with associates and joint ventures

The following transactions were carried out with associates and joint-ventures:

<i>In EUR million</i>	2001	2000
Sales of goods and services to related parties		
Associates	72	82
Joint ventures	108	5
	180	87

<i>In EUR million</i>	2001	2000
Purchase of goods and services from related parties		
Associates	8	14
Joint ventures	11	6
	19	20

Sales and purchases to and from associates and joint ventures were carried out on commercial terms and conditions at market prices.

Year-end balances arising from sales and purchases of goods and services are as follows:

<i>In EUR million</i>	2001	2000
Receivables from related parties		
Associates	27	7
Joint ventures	11	5
	38	12

<i>In EUR million</i>	2001	2000
Payables to related parties		
Associates	23	4
Joint ventures	8	38
	31	42

Transactions with directors

In addition to their salaries, the Group also provides non-cash benefits to directors and contributes to a post-employment defined benefit plan on their behalf.

Total remuneration of directors included in personnel costs (see note 4.2.1) amounts to EUR 6 million in 2001 (2000: EUR 3 million).

Share options granted to directors

The aggregate number of share options granted to the directors of the Company during 2001 was 8,500 (2000: 60,000).

The share options were given with an exercise price of EUR 85.24 (2000: EUR 102).

The outstanding number of share options granted to the directors of the Company at the end of the year was 51,000 (2000: 60,000).

Directors' fees

In 2001, a total of EUR 0.7 million (2000: EUR 0.2 million) was allocated in the form of attendance fees to the members of the Board of Directors of RTL Group and the committees which emanate from it with respect to their functions within RTL Group as well as other Group companies.

8 Interests in joint ventures

Significant joint ventures

	Country of incorporation	Ownership interest	
		2001	2000
M6 Group	France	45.1	43.8
Channel 5 Group	UK	64.5	64.5
RTL Disney Fernsehen GmbH & Co KG	Germany	49.8	49.8
Sportfive Group	France	44.4	-

Included in the consolidated financial statements are the following items that represent the Group's interests in the assets and liabilities, income and expenses of the joint ventures:

<i>In EUR million</i>	2001	2000
Non current assets	206	1 228
Current assets	736	719
Non current liabilities	(298)	(441)
Current liabilities	(511)	(1 118)
Net assets	133	388

<i>In EUR million</i>	2001	2000
Income	657	1 035
Expenses	(713)	(982)

As Sportfive has been proportionally consolidated with effect from 31 December 2001, there is no impact in 2001 on the income and expenses of the Group (see note 3.2).

9 Group undertakings

			2000			2001	
	Note	Country of incorporation	Ownership interest	Consolidation method (1)	Note	Ownership interest	Consolidation method (1)
RTL Group SA		Luxembourg		M			M
<i>BROADCASTING TV</i>							
5 Direct Ltd	(5)	UK	64,5	P	(5)	64,5	P
Antena 3 Castilla-Leon SA		Spain	-	NC	(9)	10,3	E
Antena 3 de Television SA		Spain	-	NC	(9)	17,2	E
Antena 3 Directo SAU		Spain	-	NC	(9)	17,2	E
Antena 3 Editorial SA		Spain	-	NC	(9)	17,2	E
Antena 3 Iniciativas Comerciales SA		Spain	-	NC	(9)	17,2	E
Antena 3 Interactiva SA		Spain	-	NC	(9)	17,2	E
Antena 3 International Inc		USA	-	NC	(9)	17,2	E
Antena 3 Peru SA		Peru	-	NC	(9)	17,2	E
Antena 3 Producciones SA		Peru	-	NC	(9)	17,2	E
Antena 3 Tematica SA		Spain	-	NC	(9)	17,2	E
Arbatax Emisiones Audiovisuales SA		Spain	-	NC	(9)	17,2	E
Battres Comunicacion Alternativa SA		Spain	-	NC	(9)	17,2	E
Broadcasting Center Europe SA		Luxembourg	99,6	F		99,7	F
Broadcasting Center Nederland BV		Netherlands	-	NC	(4)	99,7	F
Channel 5 Broadcasting Ltd	(5)	UK	64,5	P	(5)	64,5	P
Channel 5 Engineering Services Ltd	(5)	UK	59,3	P	(5)	59,4	P
Channel 5 Text Ltd	(5)	UK	64,5	P	(5)	64,5	P
Channel 5 Trust Ltd	(5)	UK	64,5	P	(5)	64,5	P
Cinemazine SA		Spain	-	NC	(9)	17,2	E
CLT-UFA UK Television Ltd		UK	99,6	F		99,7	F
Compunet Servicios Telematicos SA		Spain	-	NC	(9)	12,2	E
Creation GmbH (formerly House Of Promotion Produktions GmbH)		Germany	-	NC		99,7	F
Culture Mag Editions		France	-	NC	(3)	40,6	P
Digital Television Service (D.T.S.) SA		Luxembourg	99,6	F		-	NC
Digimedia SA		Spain	-	NC	(9)	17,2	E

		2000			2001		
	Note	Country of incorporation	Ownership interest	Consolidation method (1)	Note	Ownership interest	Consolidation method (1)
Edit TV / M6 music SNC	(3)	France	43,8	P	(3)	45,1	P
Extension TV Série Club SA	(3)	France	43,8	P	(3)	22,5	P
Farmaplaning SL		Spain	-	NC	(9)	17,2	E
Filmlux SA	(4)	Luxembourg	99,6	F	(4)	99,7	F
FUN TV SNC	(3)	France	43,8	P	(3)	45,1	P
Gestion de Telecomunicaciones 2000 SL		Spain	-	NC	(9)	16,4	E
Football Club Girondins de Bordeaux SAOS		France	-	NC	(3)	44,5	P
Guadiana Producciones SA		Spain	-	NC	(9)	17,2	E
Holland Media Groep Business Nieuws BV		Netherlands	-	NC	(4)	99,7	F
Home Shopping Service SA	(3)	France	43,8	P	(3)	45,1	P
Inversiones valores Inmuebles SL		Spain	-	NC	(9)	13,3	E
IP Deutschland GmbH		Germany	99,7	F		99,7	F
IP Belgium SA		Belgium	65,8	F		65,8	F
IP France SA		France	99,6	F		99,7	F
IP Medien GmbH & CoKG		Germany	-	NC		84,7	F
IP Plurimédia SA		Belgium	65,8	F		65,8	F
IPN SA		Luxembourg	99,6	F		99,7	F
M6 Bordeaux SAS		France	-	NC	(3)	45,1	P
M6 Diffusions SA	(3)	France	43,8	P	(3)	45,1	P
M6 Interactions SA	(3)	France	43,8	P	(3)	45,1	P
M6 Publicité SA	(3)	France	43,8	P	(3)	45,1	P
M6 Thématique SA	(3)	France	43,8	P	(3)	45,1	P
M6 Publicité Interactive SAS		France	-	NC	(3)	45,1	P
M6 Toulouse SAS		France	-	NC	(3)	45,1	P
Métropole Télévision SA	(3)	France	43,8	P	(3)	45,1	P
M-RTL Rt		Hungary	48,8	E		48,8	E
Movierecord Cine SA		Spain	-	NC	(9)	17,2	E
Nova Televisio SA		Spain	-	NC	(9)	8,8	E

		2000			2001		
	Note	Country of incorporation	Ownership interest	Consolidation method (1)	Note	Ownership interest	Consolidation method (1)
Productora de Aragon SA		Spain	-	NC	(9)	17,2	E
Promofin SA		Luxembourg	99,6	F		-	NC
Publicidad 3 SA		Spain	-	NC	(9)	17,2	E
RTL 4 Productions BV	(4)	Netherlands	99,6	F	(4)	99,7	F
RTL Direct AG & Co.KG		Luxembourg	99,6	F		-	NC
RTL Disney Fernsehen GmbH & Co.KG		Germany	49,8	P		49,8	P
RTL Nord GmbH		Germany	-	NC		99,7	F
RTL Plus SA		Luxembourg	99,7	F		99,7	F
RTL Hessen GmbH (formerly RTL Plus Hessen TV GmbH)		Germany	-	NC		59,8	F
RTL Plus Sarl (formerly SA & Co. KG)		Luxembourg	99,7	F		99,7	F
RTL Shop GmbH		Germany	-	NC		88,8	F
RTL Television GmbH		Germany	99,7	F		99,7	F
RTL TVL SA		France	99,6	F		-	NC
RTL/de Holland Media Groep SA (formerly Veronica de HMG SA)	(4)	Luxembourg	99,6	F	(4)	99,7	F
RTL2 Fernsehen Geschäftsführungs GmbH		Germany	35,8	E		35,8	E
RTL2 Fernsehen GmbH & Co.KG		Germany	35,8	E		35,8	E
RTL4 Beheer BV	(4)	Netherlands	99,6	F	(4)	99,7	F
RTL4 Finance SA	(4)	Luxembourg	99,6	F	(4)	99,7	F
RTL4 Holding SA		Luxembourg	99,6	F		99,7	F
RTL7 SA		Luxembourg	99,6	F	(11)	-	NC
RTL7 SA & cie Secs		Luxembourg	99,6	F	(11)	-	NC
RTL7 SP. ZOO		Poland	99,6	F	(11)	-	NC
RTL9 SA		Luxembourg	34,9	E		34,9	E
RTL9 SA & Cie Secs		Luxembourg	34,8	E		34,8	E
S4M Solutions For Media GmbH		Germany	-	NC		66,5	F
SEDI TV SNC	(3)	France	22,3	P	(3)	23,0	P
Sky Five Text Ltd		UK	-	NC	(5)	32,3	P
SND SA		France	-	NC	(3)	45,1	P

		2000			2001		
	Note	Country of incorporation	Ownership interest	Consolidation method (1)	Note	Ownership interest	Consolidation method (1)
Sprayette SA		Argentina	-	NC	(9)	12,2	E
TCM Droits Audiovisuels SNC	(3)	France	18,0	P	(3)	18,6	P
Tele West GmbH & CoKG		Germany	-	NC		51,5	F
Télédirect SA & Cie SECS		Luxembourg	99,6	F		-	NC
TF6	(3)	France	21,8	P	(3)	22,5	P
Ticketnet	(3)	France	14,5	P	(3)	15,0	P
TVI SA		Belgium	65,8	F		65,8	F
VCF SA		France	99,6	F		99,7	F
Vox Film & Fernseh GmbH & Co.KG		Germany	99,4	F		99,4	F
Yorin TV BV (formerly Veronica RTV BV)	(4)	Netherlands	99,6	F	(4)	99,7	F
<i>Content</i>							
ACI International Ltd	(2)	UK	100,0	F	(2)	100,0	F
All American Entertainment Inc	(2)	USA	100,0	F	(2)	100,0	F
All American FDF Holdings Inc	(2)	USA	100,0	F	(2)	100,0	F
All American Music Group	(2)	USA	100,0	F	(2)	100,0	F
All American Netherlands BV	(2)	Netherlands	100,0	F	(2)	100,0	F
All American Orbis Inc	(2)	USA	100,0	F	(2)	100,0	F
All American television Sports Inc	(2)	USA	100,0	F	(2)	100,0	F
Allied Communications Inc	(2)	USA	100,0	F	(2)	100,0	F
Alomo Productions Ltd	(2)	UK	100,0	F	(2)	100,0	F
Alpha Tauri Sàrl	(2)	Italy	100,0	F	(2)	100,0	F
Arbor TV Filmproduktion GmbH	(7)	Germany	63,8	F	(7)	-	NC
Bastino Multimedia	(8)	Italy	14,3	E	(8)	44,4	P
Be Happy Productions SAS		France	-	NC	(2)	100,0	F
Big Fish Productions Inc		USA	-	NC	(2)	100,0	F
Big Smile Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
C. Productions SA	(3)	France	43,8	P	(3)	45,1	P
Channel Five Holdings Ltd	(2)	UK	50,0	F	(2)	50,0	F
Channel Three Ltd	(2)	UK	100,0	F	(2)	100,0	F

	Note	Country of incorporation	2000		Note	2001	
			Ownership interest	Consolidation method (1)		Ownership interest	Consolidation method (1)
Clement/La Fresnais Productions Ltd	(2)	UK	100,0	F	(2)	100,0	F
CLOU Entertainment TV Produktion GmbH		Germany	-	NC		55,8	F
CLT-UFA Multi Media GmbH		Germany	99,6	F		99,7	F
COLOGNE SITCOM Produktions GmbH	(2)	Germany	50,2	F	(2)	50,2	F
COLOGNE SITCOM Verwaltung GmbH	(2)	Germany	50,2	F	(2)	50,2	F
Darpar 127 Vermoegensverwaltungs GmbH	(2)	Germany	100,0	F		100,0	F
Darpar 128 GmbH	(2)	Germany	100,0	F		100,0	F
Das EreignisReich Agentur GmbH	(2)	Germany	100,0	F	(2)	100,0	F
Delux Productions SA		Luxembourg	99,6	F		99,7	F
Die Berliner Produktion GmbH	(7)	Germany	63,8	F	(7)	-	NC
Dedicated to Sport Sarl		France	-	NC	(8)	44,4	P
European Childrens Film Corporation Ltd	(2)	Jersey	100,0	F	(2)	100,0	F
Euston Films Ltd	(2)	UK	100,0	F	(2)	100,0	F
Euston Music Ltd	(2)	UK	50,0	F	(2)	50,0	F
EVA Entertainment Ltd	(2)	UK	100,0	F	(2)	100,0	F
Feudin' Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
Foot Access SA	(8)	France	25,2	E	(8)	44,4	P
Football France Promotion SA	(8)	France	26,3	E	(8)	44,4	P
Fremantle (AUS) Productions Pty Ltd	(2)	Australia	100,0	F	(2)	100,0	F
Fremantle (D) Fernsehproduktions GmbH	(2)	Germany	100,0	F	(2)	100,0	F
Fremantle de Espana SL	(2)	Spain	100,0	F	(2)	100,0	F
Fremantle Entertainment OY (formerly Pearson Television Entertainment OY)	(2)	Finland	50,8	F	(2)	50,8	F
Fremantle France Productions Sarl	(2)	France	100,0	F	(2)	100,0	F
Fremantle Goodson Inc (formerly Pearson Television Goodson Inc)	(2)	USA	100,0	F	(2)	100,0	F
Fremantle Hellas EPE	(2)	Greece	100,0	F	(2)	100,0	F
Fremantle Hellas SA	(2)	Greece	60,0	F	(2)	60,0	F
Fremantle India TV Productions Pvt Ltd	(2)	India	100,0	F	(2)	100,0	F
Fremantle International Inc	(2)	USA	100,0	F	(2)	100,0	F
Fremantle Licensing Ltd (formerly Thames Television Ltd)	(2)	UK	100,0	F	(2)	100,0	F
Fremantle Marketing GmbH	(2)	Germany	100,0	F	(2)	100,0	F

	Note	Country of incorporation	2000		Note	2001	
			Ownership interest	Consolidation method (1)		Ownership interest	Consolidation method (1)
Fremantle Merchandising Inc (formerly Pearson Television Merchandising Inc)	(2)	USA	100,0	F	(2)	100,0	F
Fremantle Music Publishing Int. Ltd (formerly Pearson TV Music Publishing Ltd)	(2)	UK	100,0	F	(2)	100,0	F
Fremantle Nederland Produkties BV	(2)	Netherlands	100,0	F	(2)	100,0	F
Fremantle Polska Sp.Zoo (formerly Pearson Television Poland Sp zoo)	(2)	Poland	100,0	F	(2)	100,0	F
Fremantle Portugal Producoes TV Ltd	(2)	Portugal	100,0	F	(2)	-	NC
Fremantle Productions AB (formerly Pearson Television AB)	(2)	Sweden	100,0	F	(2)	100,0	F
Fremantle Productions Argentina SA (formerly Pearson Television Argentina SA)	(2)	Argentina	100,0	F	(2)	100,0	F
Fremantle Productions Asia Ltd (formerly Pearson TV Asia Ltd)	(2)	Hong-Kong	100,0	F	(2)	100,0	F
Fremantle Productions Asia Pte Ltd (formerly Pearson Television Asia Pte Ltd)	(2)	Singapore	100,0	F	(2)	100,0	F
Fremantle Productions Brazil Ltda (formerly Pearson Television Brazil Ltda)	(2)	Brazil	100,0	F	(2)	100,0	F
Fremantle Productions Chile Ltda (formerly Pearson Television Ltda)	(2)	Chile	99,0	F	(2)	99,0	F
Fremantle Productions Denmark Aps (formerly Grundy Productions Aps)	(2)	Denmark	100,0	F	(2)	100,0	F
Fremantle Productions Inc (formerly Pearson Television Production Inc)	(2)	USA	100,0	F	(2)	100,0	F
Fremantle Productions Latin America Inc (formerly Pearson Television Latin America Inc)	(2)	USA	100,0	F	(2)	100,0	F
Fremantle (UK) Productions Ltd	(2)	UK	100,0	F	(2)	100,0	F
Fremantle Productions North America Inc (formerly Pearson Television North America Inc)	(2)	USA	100,0	F	(2)	100,0	F
Fremantle Productions Belgium NV (formerly Pearson Television Belgium NV)	(2)	Belgium	100,0	F	(2)	100,0	F
Fremantle Productions Oy (formerly Pearson Television OY)	(2)	Finland	100,0	F	(2)	100,0	F
Fremantle Productions (South Africa) (PTY) Ltd (formerly Pearson Television PTY Ltd)	(2)	South Africa	100,0	F	(2)	100,0	F
Fremantle Productions SA	(2)	Greece	100,0	F	(2)	100,0	F
FremantleMedia Australia Pty Ltd (formerly Pearson TV Australia PTY Ltd)	(2)	Australia	100,0	F	(2)	100,0	F
FremantleMedia (Netherlands) BV (formerly Grundy Holdings (Netherlands) BV)	(2)	Netherlands	100,0	F	(2)	100,0	F
FremantleMedia Enterprises Ltd (formerly Pearson TV International Ltd)	(2)	UK	100,0	F	(2)	100,0	F
FremantleMedia Holdings BV (formerly Grundy Holdings BV)	(2)	Netherlands	100,0	F	(2)	100,0	F
FremantleMedia Holdings Inc (formerly Pearson Television Holdings Inc)	(2)	USA	100,0	F	(2)	100,0	F
FremantleMedia Ltd (formerly Pearson TV Ltd)	(2)	UK	100,0	F	(2)	100,0	F
FremantleMedia North America Inc (formerly Pearson Television Inc)	(2)	USA	100,0	F	(2)	100,0	F
FremantleMedia Operations BV (formerly Pearson Television Operations BV)	(2)	Netherlands	100,0	F	(2)	100,0	F
FremantleMedia Overseas Holdings BV (formerly Pearson TV Overseas Holdings BV)	(2)	Netherlands	100,0	F	(2)	100,0	F
FremantleMedia Overseas Ltd (formerly Pearson Television Overseas Ltd)	(2)	UK	100,0	F	(2)	100,0	F
FremantleProductions BV (formerly Pearson Television Productions BV)	(2)	Netherlands	100,0	F	(2)	100,0	F

			2000			2001	
	Note	Country of incorporation	Ownership interest	Consolidation method (1)	Note	Ownership interest	Consolidation method (1)
Fresh Productions (Essex) Ltd		UK	-	NC	(2)	25,0	E
Gdl Gie	(8)	France	-	-	(8)	44,4	P
Janus Pearson TV GmbH (formerly Geh Aufs Ganze Fernsehprod GmbH)	(2)	Germany	50,0	F	(2)	50,0	F
Fremantle Licensing Germany GmbH (formerly Geo Film GmbH)	(6)	Germany	99,6	F	(6)	99,7	F
Girosport SA	(8)	France	28,0	E	(8)	44,4	P
Good Games Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
Sportfive SA (formely Groupe JC Darmon SA)	(8)	France	28,0	E	(8)	44,4	P
Grundy Consulting Ltd	(2)	Antigua	100,0	F	(2)	100,0	F
Grundy Europe SA	(2)	Luxembourg	100,0	F	(2)	100,0	F
Grundy European Holdings Ltd	(2)	Bermuda	100,0	F	(2)	100,0	F
Grundy Film Financing Ltd	(2)	Australia	100,0	F	(2)	100,0	F
Grundy Films Pty Ltd	(2)	Australia	100,0	F	(2)	100,0	F
Grundy France Eurl (formerly Pearson Television France Eurl)	(2)	France	100,0	F	(2)	100,0	F
Grundy Guilherme Programas Ltda	(2)	Portugal	50,0	F	(2)	50,0	F
Grundy Holdings (Australia) Ltd	(2)	Antigua	100,0	F	(2)	100,0	F
Grundy International Distribution BV	(2)	Netherlands	100,0	F	(2)	100,0	F
Grundy International Holdings (II) BV	(2)	Netherlands	100,0	F	(2)	100,0	F
Grundy International Holdings (NA) NV	(2)	Netherlands Antilles	100,0	F	(2)	100,0	F
Grundy International Holdings (I) BV	(2)	Netherlands	100,0	F	(2)	100,0	F
Grundy International Operations Ltd	(2)	Antigua	100,0	F	(2)	100,0	F
Grundy Light Entertainment GmbH (formerly Pearson Television GmbH)	(2)	Germany	100,0	F	(2)	100,0	F
Grundy Magyarorszag TV Musorg Kft	(2)	Hungary	100,0	F	(2)	100,0	F
Grundy Music Services Inc	(2)	USA	100,0	F	(2)	100,0	F
Grundy Organization (Holdings) Pty Ltd	(2)	Australia	100,0	F	(2)	100,0	F

		2000			2001		
	Note	Country of incorporation	Ownership interest	Consolidation method (1)	Note	Ownership interest	Consolidation method (1)
Grundy Organization Pty Ltd	(2)	Australia	100,0	F	(2)	100,0	F
Grundy Production Services SAM	(2)	Monaco	100,0	F	(2)	100,0	F
Grundy Productions ARG SA	(2)	Argentina	100,0	F	(2)	100,0	F
Grundy Productions Italy Spa (formerly Pearson Television (Italy) Spa)	(2)	Italy	100,0	F	(2)	100,0	F
Grundy Productions KK	(2)	Japan	100,0	F	(2)	100,0	F
Grundy Productions Ltd	(2)	UK	100,0	F	(2)	100,0	F
Grundy Productions Ltd IRL	(2)	Ireland	100,0	F	(2)	100,0	F
Grundy Productions SA de CV	(2)	Mexico	100,0	F	(2)	100,0	F
Grundy television Pty Ltd	(2)	Australia	100,0	F	(2)	100,0	F
Grundy Travel Pty Ltd	(2)	Australia	100,0	F	(2)	100,0	F
Grundy UFA TV Produktions GmbH	(6)	Germany	99,6	F	(6)	99,7	F
Grundy Worldwide Ltd	(2)	Bermuda	100,0	F	(2)	100,0	F
Grundy/JE Productions VOF	(2)	Netherlands	50,0	F	(2)	50,0	F
Gyula Trebitsch Fernsehproduktion GmbH	(7)	Germany	63,8	F	(7)	-	NC
HD Thames Ltd	(2)	UK	24,0	E	(2)	24,0	E
HDTV-Entert. Dressler GmbH	(6)	Germany	69,7	F	(6)	99,7	F
House of Talent GmbH		Germany	-	NC	(6)	92,1	F
Itsago Productions Inc		USA	-	NC	(2)	100,0	F
I2I Musikproduktions & Musikverlags GmbH		Germany	-	NC		99,7	F
International Film Production SA		Luxembourg	99,6	F		99,7	F
Kickoff Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
LBS Communications Inc	(2)	USA	100,0	F	(2)	100,0	F
Les Productions Grundy SA	(2)	France	100,0	F	(2)	100,0	F
Little Pond Television Inc	(2)	USA	100,0	F	(2)	100,0	F
Little Pond Television Ltd	(2)	UK	100,0	F	(2)	100,0	F
M6 Droits Audiovisuels SA	(3)	France	43,6	P	(3)	45,1	P
M6 Evenements SA	(3)	France	43,6	P	(3)	45,1	P
M6 Films SA	(3)	France	43,6	P	(3)	45,1	P
M6 Foot SAS	(3)	France	38,8	P	(3)	44,6	P

	Note	Country of incorporation	2000		Note	2001	
			Ownership interest	Consolidation method (1)		Ownership interest	Consolidation method (1)
Magyar Grundy UFA KFT	(6)	Hungary	99,6	F	(6)	99,7	F
Mark Goodson Productions LLC	(2)	USA	100,0	F	(2)	100,0	F
Mastrofilms sarl	(2)	Italy	100,0	F	(2)	100,0	F
Media – Foot Belgique srl	(8)	Belgium	28,0	E	(8)	44,4	P
Media Sales Ltd	(2)	UK	50,0	F	(2)	50,0	F
Métropole Production SA	(3)	France	43,8	P	(3)	45,1	P
MG Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
Moving Pictures Inc	(2)	USA	100,0	F	(2)	100,0	F
Multimedia Global Finance SA	(8)	Luxembourg	14,3	E	(8)	44,4	P
New Media Film & Fernsehproduktion GmbH	(6)	Germany	99,6	F	(6)	99,7	F
Not Any Old Radio Commercials Ltd	(2)	UK	100,0	F	(2)	100,0	F
Nusport SNC		France	-	NC	(8)	22,2	P
Objektiv Film GmbH	(7)	Germany	63,8	F	(7)	-	NC
OHP Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
OTL Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
Palais des Sports de Toulouse SA	(8)	France	28,0	E	(8)	44,4	P
Pearson Asia Pacific Ltd	(2)	Jersey	100,0	F	(2)	-	NC
Fremantle Licensing Inc. (formerly Pearson Television Licensing Inc.)	(2)	USA	100,0	F	(2)	100,0	F
Pearson Television SA	(2)	Paraguay	100,0	F	(2)	-	NC
Pearson TV Services CV de SA	(2)	Mexico	100,0	F	(2)	100,0	F
Premium Pictures Ltd	(2)	UK	50,0	F	(2)	50,0	F
Producciones Fremantle SA (formerly Pearson Television Spain SA)	(2)	Spain	100,0	F	(2)	100,0	F
PS Entertainment Inc	(2)	USA	100,0	F	(2)	100,0	F
PT Dunia Visitama (formerly PT Dunia Televisi Produksi)	(2)	Indonesia	100,0	F	(2)	100,0	F
PTV Dormant Ltd	(2)	UK	100,0	F	(2)	100,0	F
Real Film GmbH	(7)	Germany	63,8	F	(7)	-	NC
Reg Grundy Produceos de TV SA	(2)	Portugal	99,9	F	(2)	99,9	F
Reg Grundy Productions Holdings Inc	(2)	USA	100,0	F	(2)	100,0	F
Reg Grundy Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
Reg Grundy Productions India Pvt Ltd	(2)	India	100,0	F	(2)	-	NC

	Note	Country of incorporation	2000		Note	2001	
			Ownership interest	Consolidation method (1)		Ownership interest	Consolidation method (1)
Regent Productions Ltd	(2)	UK	100,0	F	(2)	100,0	F
RTL Group Ltd	(2)	UK	100,0	F	(2)	100,0	F
RTL UK Holdings SA (formerly Pearson Television Holdings SA)	(2)	Luxembourg	100,0	F	(2)	100,0	F
Rugby France Promotion SA	(8)	France	27,9	E	(8)	44,3	P
Santa Monica Sound Recorders Inc	(2)	USA	100,0	F	(2)	100,0	F
SBSVTV Inc	(2)	USA	100,0	F	(2)	100,0	F
SEDS SA		France	-	NC	(8)	44,4	P
Select TV Communications Cons Ltd	(2)	UK	100,0	F	(2)	100,0	F
1ST Television Ltd (formerly Select TV Communications Ltd)	(2)	UK	100,0	F	(2)	100,0	F
Select TV International Ltd	(2)	UK	100,0	F	(2)	100,0	F
Select TV Ltd	(2)	UK	100,0	F	(2)	100,0	F
SNC SA		France	99,6	F		99,7	F
Sport+ UK Ltd		UK	-	NC	(8)	44,4	P
Sports Rights Acquisitions BV		Netherlands	-	NC	(8)	44,4	P
Stanias Securities Company UK	(2)	UK	100,0	F	(2)	100,0	F
START Television Produktions GmbH	(2)	Germany	100,0	F	(2)	100,0	F
Stormy Entertainment GmbH		Germany	-	NC		65,3	F
Talkback Productions Ltd	(2)	UK	100,0	F	(2)	100,0	F
First Television Ltd (formerly Pearson Television Studios Ltd)	(2)	UK	100,0	F	(2)	100,0	F
Teamworx Produktion für Kino & Fernsehen GmbH	(6)	Germany	76,7	F	(6)	76,8	F
Tecipress SA	(3)	France	43,8	P	(3)	45,1	P
Terrapin Communications Inc	(2)	USA	100,0	F	(2)	100,0	F
Terrapin Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
Thames Television Services Ltd (formerly Pearson TV Services Ltd)	(2)	UK	100,0	F	(2)	100,0	F
Thames Cable and Satellite Services Ltd (formely Thames Cable and Satellite Ltd)	(2)	UK	100,0	F	(2)	100,0	F
Thames Films Ltd	(2)	UK	100,0	F	(2)	100,0	F
Thames Television Animation Ltd	(2)	UK	100,0	F	(2)	100,0	F

	2000				2001		
	Note	Country of incorporation	Ownership interest	Consolidation method (1)	Note	Ownership interest	Consolidation method (1)
Thames Television Holdings Ltd (formerly Pearson TV Holdings Ltd)	(2)	UK	100,0	F	(2)	100,0	F
Thames Television Ltd (formerly Pearson Television Productions Ltd)	(2)	UK	100,0	F	(2)	100,0	F
The Baywatch Nights Productions Company	(2)	USA	100,0	F	(2)	100,0	F
The Baywatch Productions Company	(2)	USA	100,0	F	(2)	100,0	F
The Malibu Branch Production Company	(2)	USA	100,0	F	(2)	100,0	F
The Price is Right Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
The Spring Collection Production Company	(2)	USA	100,0	F	(2)	100,0	F
TPI Trebitsch Produktion International GmbH	(7)	Germany	63,8	F	(7)	-	NC
Trebitsch Media AV GmbH	(7)	Germany	63,8	F	(7)	-	NC
Trebitsch Produktion Holding GmbH	(7)	Germany	63,8	F	(7)	-	NC
Trebitsch Produktion Holding GmbH & Co.KG	(7)	Germany	63,8	F	(7)	-	NC
Truth Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
UFA - Fernsehproduktion GmbH	(6)	Germany	99,6	F	(6)	99,7	F
UFA - Filmproduktion GmbH	(6)	Germany	99,6	F	(6)	99,7	F
UFA Entertainment GmbH	(6)	Germany	99,6	F	(6)	99,7	F
UFA Film & Fernseh GmbH		Germany	99,6	F		99,7	F
UFA Film & Medienproduktion GmbH	(6)	Germany	99,6	F	(6)	99,7	F
UFA Film & TV Produktion GmbH	(6)	Germany	99,6	F	(6)	99,7	F
UFA Film Finance GmbH	(6)	Germany	99,6	F	(6)	99,7	F
UFA Film München GmbH	(6)	Germany	99,6	F	(6)	99,7	F
UFA International Film & TV Produktions GmbH	(6)	Germany	99,6	F	(6)	99,7	F
UFA Medienservice Babelsberg GmbH & Co.KG	(6) (10)	Germany	99,6	F	(6) (10)	-	NC
UFA Non Fiction Produktions GmbH	(6)	Germany	99,6	F	(6)	99,7	F
UFA Sports GmbH		Germany	99,6	F	(8)	44,4	P
UK TV Ltd	(2)	UK	20,0	E	(2)	20,0	E
United World Productions Ltd	(2)	UK	100,0	F	(2)	100,0	F
Uproar Inc	(2)	USA	100,0	F	(2)	-	NC
Westdeutsche Universum Film GmbH	(6)	Germany	99,6	F	(6)	99,7	F

	Note	Country of incorporation	2000		Note	2001	
			Ownership interest	Consolidation method (1)		Ownership interest	Consolidation method (1)
What's My Line ? Productions Inc	(2)	USA	100,0	F	(2)	100,0	F
Witzend Productions Ltd	(2)	UK	100,0	F	(2)	100,0	F
Zoo Venture Entertainment Inc	(2)	USA	100,0	F	(2)	100,0	F
Broadcasting radio							
CLT-UFA UK Radio Ltd		UK	99,6	F		-	NC
Ediradio SA		France	99,6	F		99,7	F
Holland FM Produkties BV	(4)	Netherlands	99,6	F	(4)	99,7	F
ID (Information et Diffusion) Sarl		France	99,6	F		99,7	F
Northsea Media Network BV	(4)	Netherlands	99,6	F	(4)	99,7	F
Radio Advertising Benelux BV	(4)	Netherlands	99,6	F	(4)	99,7	F
Radio Tara Ltd		Ireland	79,7	F	(11)	-	NC
RTL4 Radio SA		Netherlands	-	NC	(4)	99,7	F
RTL IMedia BV (formerly Dan Liever De Lucht BV)	(4)	Netherlands	99,6	F	(4)	99,7	F
RTL IMedia Holding BV (formerly Gouden Berken BV)	(4)	Netherlands	99,6	F	(4)	99,7	F
RTL Ireland Ltd		Ireland	99,6	F		99,7	F
RTL Radio Berlin GmbH		Germany	99,6	F		99,7	F
RTL Radio Deutschland GmbH (formely RTL Radio Deutschland GmbH & Co.KG)		Germany	99,6	F		99,7	F
SCP Sarl		France	99,6	F		99,7	F
SERC SA		France	99,6	F		99,7	F
Sodera SA		France	99,6	F		99,7	F
Spott Holding BV (formerly Sea & Sky BV)	(4)	Netherlands	99,6	F	(4)	99,7	F
New Media							
Channel 5 Interactive Ltd		UK	-	NC	(5)	64,5	P
Game Channel GmbH & CoKG		Germany	-	NC		99,7	F
GZSZ Vermarktungsgesellschaft GmbH		Germany	-	NC		99,7	F
GZSZ Print GmbH		Germany	-	NC		99,7	F
IP IMedia BV		Netherlands	-	NC	(4)	99,7	F
IP New Media GmbH		Germany	-	NC		99,7	F

	Note	Country of incorporation	2000		Note	2001	
			Ownership interest	Consolidation method (1)		Ownership interest	Consolidation method (1)
M6 Web	(3)	France	43,8	P	(3)	45,1	P
RTL Club GmbH		Germany	-	NC		50,0	F
RTL Enterprises GmbH		Germany	-	NC		99,7	F
RTL NET GmbH		Germany	-	NC		99,7	F
RTL NEWMEDIA GmbH		Germany	99,7	F		99,7	F
Others							
Audiomedia Investments Bruxelles SA		Belgium	100,0	F		100,0	F
Audiomedia S.A. (Swiss branch included)		Luxembourg	100,0	F		100,0	F
B. & C.E. SA		Luxembourg	99,6	F		99,7	F
Channel 5 Music Ltd	(5)	UK	64,5	P	(5)	64,5	P
CLT-UFA Holding S.A.		Luxembourg	100,0	F		100,0	F
CLT-UFA SA (included German Branch)		Luxembourg	99,6	F		99,7	F
Immobilière M6 SA	(3)	France	43,8	P	(3)	45,1	P
M6 Editions SA	(3)	France	43,8	P	(3)	45,1	P
M6 Numérique SNC	(3)	France	43,8	P	(3)	45,1	P
Multivision Gestion SA	(3)	France	8,5	E	(3)	8,8	E
Multivision SNC	(3)	France	10,9	E	(3)	11,3	E
RTL Group Verwaltungs und Holding GmbH (formerly BW TV Films Beteiligungs GmbH)		Germany	100,0	F		100,0	F
SCI du 107 SCI	(3)	France	43,8	P	(3)	45,1	P
Société Immobilière Bayard d'Antin SA		France	99,6	F		99,7	F
Suprafin SA		Belgium	99,6	F		99,7	F
Télévision Par Satellite SNC	(3)	France	10,9	E	(3)	11,3	E
TF6 Gestion	(3)	France	21,8	P	(3)	22,5	P
TPS Cinéma SNC	(3)	France	10,9	E	(3)	11,3	E
TPS Entreprises SNC	(3)	France	10,9	E	(3)	11,3	E
TPS Jeunesse SNC	(3)	France	10,9	E	(3)	11,3	E
TPS Services SNC	(3)	France	10,9	E	(3)	11,3	E
TPS Sport SNC	(3)	France	10,9	E	(3)	11,3	E

(1) M: Parent Company - F: Full consolidation - P: Proportionate consolidation - E: Equity accounting - NC: Not Consolidated

(2) FremantleMedia Group (formerly Pearson Television Group)

(3) M6 Group

(4) HMG Group

(5) Channel 5 Group

(6) UFA Berlin Group

(7) Trebitsch Group

(8) Sportfive Group (formely JC Darmon Group)

(9) Antena 3 De Television Group

(10) Merged with UFA Film & TV Produktion GmbH in 2001

(11) Companies sold in 2001

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Photography / Michael von Graffenried

Michael von Graffenried was born in 1957 in Berne, Switzerland. He lives and works as an independent reporter photographer in Paris.

His photographs have been published in numerous magazines (Stern, Le Monde, Liberation, Geo, Paris Match, The New York Times, Time, Newsweek and Life).

His photo essays on Switzerland, the Soudan and Algiers have won him international acclaim and his photographs are included in several permanent museum collections.

His work has been exhibited in New York, Paris, Algiers and Hong Kong.

This is the second year running that Michael has travelled throughout the RTL Group with his strange panoramic camera to capture fragments of moments with *the people who make the difference* and we are grateful to those who have welcomed us and helped make this work a joy.

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...at rtl group, it's people who make the difference

