annual report 2002

at rtl group, it's people who make the difference

RTL GROUP

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.

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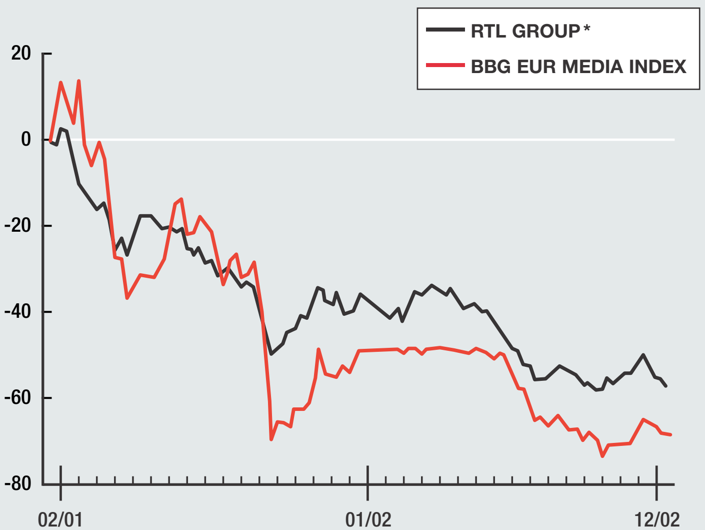
key figures

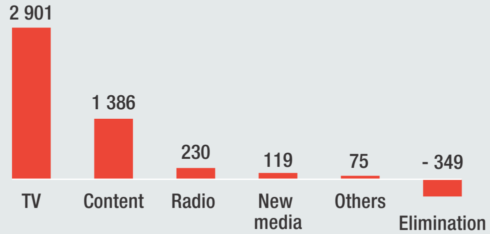
2000 based on unaudited pro forma figures

2001-2002 Share price performance



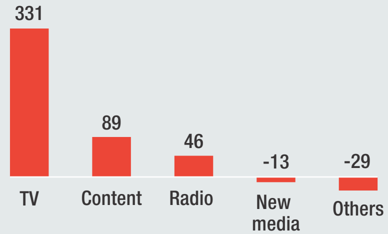
2002 Revenue breakdown

by activity - € million



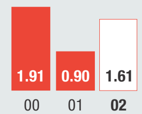
2002 Consolidated EBITA per segment

€ million



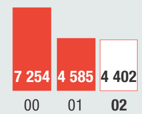
Adjusted earnings per share*

€



Shareholders' equity

€ million

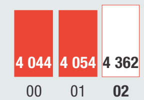


Dividend per share

€

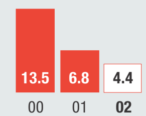
Revenue

€ million



Market capitalisation

€ billion



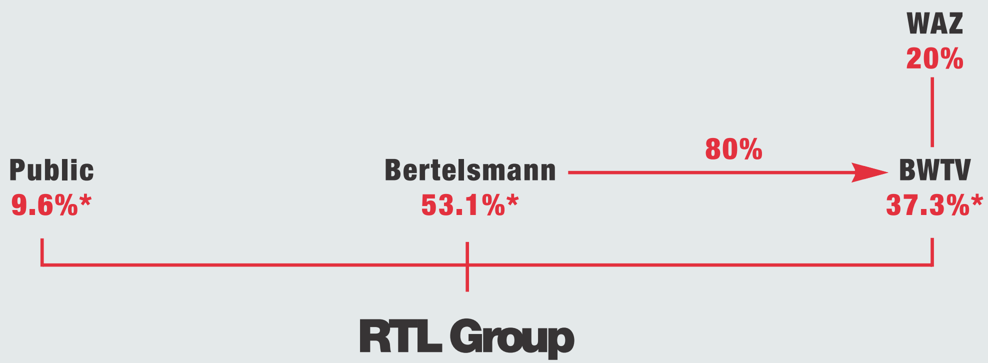
* Brussels stock exchange, as most traded place.

*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 2002



* excluding 0.76% of RTL Group's shares held collectively as treasury stock by RTL Group and CLT-UFA

From the Chairman

We look back on 2002 with considerable satisfaction. Our operating companies delivered a robust and confident performance against the background of continuing weakness in advertising markets.

We were particularly pleased with the progress made by some of the younger businesses in our portfolio. RTL Klub in Hungary, Vox in Germany and Five in the UK all delivered impressive uplifts in audience share. Founded respectively in 1997, 1993 and 1997, these three channels typify the patient and supportive way in which we develop our assets. We invest for the longer term, using our strong balance sheet to fund start-up losses. We tap the rich resource of broadcasting and programme-making expertise within our Group to help our assets through the early years as they strive for credibility and critical mass. This is not a ‘quick fix’ that delivers instant profits, but it is a strategy for building solid, cash-generative businesses capable of sustained profits growth over many years.
In 2002 we reaffirmed and consolidated our position as Europe’s leading commercial broadcaster, and the international success of the *Idols* format confirmed FremantleMedia’s status as a world class content provider.

We owe a great debt of gratitude to the many people, at all levels, throughout our Group who have worked so hard, and with such professionalism and loyalty, during a period of considerable economic uncertainty. We are also indebted to our shareholders whose support is so important to us. In 2002 we demonstrated, in many ways, that the RTL Group businesses can work productively together, and we are continuing to identify opportunities for further collaboration.

Our business is in excellent shape for which much credit should go to Didier Bellens, who has guided the company since its creation in 2000, and who announced his departure in February 2003. He leaves behind an excellent legacy. However, Didier’s successor, Gerhard Zeiler, brings with him a depth of knowledge of the industry in which we work, and because of his position at the head of our most important subsidiary, an excellent understanding of RTL Group. I am confident that under him our company’s progress will be maintained.

Juan Abelló
Chairman

CEO'S review

2002 was another testing year for media businesses in Europe, yet we rose to the challenge and emerged in better shape than several of our competitors. Advertising revenue across our television and radio businesses rose and our financial result for the year showed a considerable year-on-year improvement. This was a highly satisfactory performance in such a challenging environment. It could not have been achieved without clarity of management and the wholehearted support of our people, whose talent and commitment were demonstrated time and time again.

The strategy that we developed at the time of the merger with Pearson Television in 2000 has served us well. We were right to focus on the 'three pillars' of commercial television, content and radio; and our decision to exit from the German pay-TV business has been vindicated by subsequent events. We were quick to recognise the downturn in advertising at the outset early in 2001, and we took prompt action to equip ourselves for a harsher climate.

During 2002 we continued to bring down costs at all levels in our Group. We have streamlined our headquarter operations and costs, consolidated several of our operating companies into fewer locations to reduce property costs, and cut back on our new media operations. But only with great care have we managed programme budgets, and in some markets such as the UK we have actually raised our investment in programmes and programme schedules.

The diversified nature of our portfolio has protected us from the worst consequences of the downturn. Although the advertising market in Germany had a tough year in 2002, this was partly offset by both the outstanding performance of our own German operations and the stronger situation in other markets such as the UK, France and Hungary. Radio revenue has proved more resilient than television – in France our radio family delivered an excellent result. Moreover, we are generating increasing results from businesses that are not directly dependent on the advertising markets. Our content business, FremantleMedia, has had spectacular and continuing success with *Idols*. And we have seized the opportunity to develop licensing and merchandising operations. These are cash-generative businesses that can be developed with low levels of capital investment by leveraging our strong media brands and promotional airtime.

The power of our people

In 2002 the quality of our people shone through. Across Europe, our management teams, our creative talents, our advertising sales teams, and our support staff came together more effectively than ever before to build powerful positions in our markets.

We performed well in our core television markets, Germany and France. Our powerful family of television channels in Germany retained its market leadership with RTL Television on top for the tenth successive year and increased its lead over its rivals. Vox delivered a double-digit increase in revenue. In France M6 had another successful year, confirming its position as the number two commercial channel.

We improved our position in several of our newer markets. In the UK, Five left behind its early downmarket image as it celebrated its fifth birthday. More importantly, it continued to win over viewers and advertisers, and is fast approaching breakeven. We were sorry to lose Five's talented CEO Dawn Airey during the year, and we thank her for the immense contribution she has made to Five's development. We have appointed another accomplished television professional, Jane Lighting, to lead Five into its next phase of growth.

RTL Klub's success story continued. It has pushed up its share of audiences and television advertising on the back of astute programming tailored to the needs of Hungarian viewers. Since launch in 1997, the channel has rapidly improved its position and is now the leader in its target group. We made progress in the Netherlands where we have reorganised our HMG television family and reduced costs.

Harnessing our creative talents

FremantleMedia's accomplishments demonstrate the strength and depth of our creative businesses. Our content division broke records for quality and quantity in 2002, launching exciting new programme concepts and revitalising established formats.

The roll-out of *Idols* around the world was a tremendous achievement. The sheer scale of the format's success stretched resources and placed enormous demands on the FremantleMedia teams. They responded to the challenge with admirable commitment and dedication, while the list of prospective customers for the show continues to lengthen.

Strong relationships

Idols exemplifies the enormous commercial power our Group can generate when we work together across national borders in common cause, sharing programme ideas, broadcasting experience and marketing know-how.

There were many examples of productive synergy and cooperative effort during the year. To name just two, RTL Television in Germany lent its knowledge and technical skill to RTL Klub in Hungary to ensure that its coverage of Formula 1 motor racing got off to the best possible start. And Club RTL in Belgium renewed its partnership with M6 to broadcast its popular *Loft Story* and *Popstars* programming.

The links that hold our Group together are getting stronger all the time. I am delighted to see so much contact and interchange between people at every level.

The working relationships between our different businesses and territories, co-ordinated and guided from the centre, continue to improve and bring tangible benefits to the Group as a whole.

The Operations Management Committee (OMC) that we set up in February 2002 has been instrumental in strengthening personal and business relationships within our extended family. The OMC connects the operating units to the headquarters team and is proving to be a highly effective forum for decision-making and a powerful enabler for sharing entrepreneurial and creative expertise.

In addition, one of our most respected creative executives, Hans Mahr, has taken up the newly-created role of Executive Coordinator of Group Synergies. His brief is to identify opportunities of mutual interest to RTL Group companies and to facilitate their development.

Developing our portfolio

We continued to refine our portfolio of media holdings during the year, disposing of smaller and underperforming assets whilst looking for opportunities to build our holdings in key markets.

We acquired the TV and radio assets of the German publishing group Georg von Holtzbrinck. This comprises stakes in several German radio stations and the commercial news channel n-tv. The acquisition of n-tv will strengthen our television news resources. The radio holdings will extend our coverage of the regional radio market in Germany.

The future

RTL Group is keen to expand its portfolio by making prudent acquisitions of stakes in television, radio and content companies, provided these complement existing businesses and offer potential for development. Such acquisitions may be located in markets where there is already a strong presence, or in Central and Eastern Europe where there is less exposure.

Focused on performance

Going forward, I hope RTL Group will maintain a disciplined and conservative approach to financial management, subjecting key decisions to rigorous evaluation based on a range of financial metrics.
Our decision to de-list from the London Stock Exchange, which came into effect at the end of 2002, was driven by low trading volumes. Our listings on the Luxembourg and Brussels stock exchanges remain unaffected.
While the industry waits for the economic cycle to turn, RTL Group will do everything to maximise cash generation and further strengthen the balance sheet. When the upturn does come, the company will be in better shape than ever before to reap the rewards.

I leave the company with enormous pride in what has been achieved in three short years, following the merger in 2000. I believe we have grown during the worst of the recession, as we watched many of our rivals struggle and fall. I also have confidence that there is a solid platform from which to build for future opportunities and a large number of talented people who can make it happen.
Finally, I would also like to take this opportunity to wish my successor, Gerhard Zeiler, the best of fortune and sucess as he takes RTL Group forward in the future.

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, 2002.
The name of each company is followed by an indication of the percentage held directly or indirectly by RTL Group.

		Australia	Belgium	France	Germany
television	**Free TV**		RTL TVI [7] 66% CLUB RTL [7] 66%	M6 [1] 47.5% RTL9 [7] 35%	RTL TELEVISION 100% RTL II 35.9% VOX 99.7% SUPER RTL 50% RTL SHOP 100% N-TV 47.3%
	TV Services				CBC 100%
content	**Production**	GRUNDY TELEVISION [3] 100%		GRUNDY FRANCE [3] 100% BE HAPPY 100%	UFA FILM & TV PRODUKTION 100% GRUNDY LE 100% GRUNDY UFA 100% PHOENIX FILM 51% TREBITSCH 64% TEAMWORX 77%
	Rights			SPORTFIVE 46.4%	BMG VIDEO 100%
radio	**Radio**		BEL RTL 43% RADIO CONTACT 49.9%	RTL [7] 100% RTL2 100% FUN RADIO 100% SUD RADIO 20% BLANC BLEU COMMUNICATION 20%	104.6 RTL 100% * RTL RADIO-DIE BESTEN HITS MIT GEFÜHL [7] 100% ANTENNE BAYERN 16% RADIO HAMBURG 29.2% RADIO NRW 17% RADIO 21 17% HIT-RADIO ANTENNE SACHSEN 48.9% HIT-RADIO ANTENNE NIEDERSACHSEN 36% ANTENNE MECKLENBURG-VORPOMMERN 24.5% HIT-RADIO BROCKEN 24% ANTENNE THÜRINGEN 7.5%
new media				RTL NET 100% M6 WEB 47.5%	RTL NEWMEDIA 100%

Hungary	Italy	Luxembourg	Netherlands	Spain	United Kingdom	USA
RTL KLUB 49%		RTL TELE LETZEBUERG 100%	RTL 4 [2] [7] 100% YORIN [2] 100% RTL 5 [2] [7] 100%	ANTENA 3 17.2%	FIVE 64.6%	
		BCE 100% ENEX 69.3%			LPC 100%	
					FREMANTLEMEDIA [4] 100%	
MAGYAR GRUNDY UFA TV [3] 100%	GRUNDY ITALIA [3] 100%	DELUX PRODUCTION 100%	HOLLAND MEDIA HOUSE [2] 100%	PRODUCCIONES FREMANTLE [3] 100%	THAMES TELEVISION [3] 100% TALKBACK [3] 100% ALOMO [3] 100%	FREMANTLEMEDIA NORTH AMERICA [3] 100%
		CLT-UFA INTERNATIONAL [5] 100%			FREMANTLEMEDIA ENTERPRISES [3] [5] 100%	
		RTL RADIO LETZEBUERG 100%	YORIN FM [2] 100%			
		IP WEB.NET 100% RTL NEW MEDIA LUXEMBOURG 100%	RTL IMEDIA [2] 100%			

(1) Including theme channels. (2) Interest held through Holland Media Groep (HMG).
(3) A FremantleMedia company. (4) FremantleMedia has operations in over 40 countries, including Portugal, Finland, Poland, Greece, Netherlands, South Africa, Indonesia, Mexico, Argentina.
(5) Global. (6) European. (7) Programmes broadcast by CLT-UFA under a Luxembourg license.
*Principal businesses - extended list on page 39.

highlights 2002

January 2002

UFA Film & TV Produktion signs a cooperation agreement with Phoenix Film, producers of the popular *Edel & Starck* drama series.

RTL Television in Germany achieves its highest audience of the year when 13.4 million viewers tune in for the key event in the Four Hills ski jumping tournament.

We sell our holdings in the Swedish radio stations 104.7 RTL and WOW 105.5 to Modern Times Group.

February 2002

The final of the FremantleMedia production *Pop Idol* wins a huge UK audience of 13.1 million and a 57% audience share. It also sets a record telephone vote with nearly nine million calls registered in two hours.

A new Group management structure is created with an Operations Management Committee (OMC) linking the operating companies directly to the CEO and a smaller Executive Committee.

Our online airtime sales operation IP-WEB.NET extends its network to Spain.

March 2002

Philippe Delusinne is appointed CEO of RTL TVi in Belgium.

M6 celebrates its fifteenth birthday.

teamWorx wins four Adolf Grimme Awards gold awards for the drama *Ende der Saison (End Of The Season).* Peter Koeppel and Volker Weicker of RTL Television also win Grimme awards for their coverage of the 11 September terrorist attacks.

April 2002

Channel Five in the UK is five years old and celebrates by starting its sixth year with strong growth.

M6 launches the second season of *Loft Story* with a record-breaking 8.2 million viewers.

May 2002

Pop Idol wins Europe's top television award, The Rose d'Or (Golden Rose of Montreux). Talkback's *Los Dos Bros* receives the Sitcom Silver Rose.

June 2002

The 2,500th episode of Germany's most successful daily serial drama, *Gute Zeiten Schlechte Zeiten (Good Times Bad Times)*, draws its highest ever audience of more than 6.8 million.

We appoint Hans Mahr of RTL Television to the OMC with a brief to coordinate synergies across our Group. Robin Leproux, Chief Executive of RTL Radio in France, also joins the OMC.

RTL Radio and M6 win prizes at the 2002 Grand Prix des Médias.

July 2002

Super RTL reports the best half year results in its history.

The German websites RTL WORLD and RTL.de both hit new highs with monthly page impressions of over 400 million and 300 million respectively.

August 2002

We announce our intention to acquire the Holtzbrinck holdings in German radio stations and the television news channel n-tv.

Channel 5 renames itself “five”, unveils a new identity and is voted terrestrial TV channel of the year at Edinburgh festival.

RTL Radio Deutschland launches Hit Radio RTL, a new radio station with a rock-oriented AC format for listeners in the Karlsruhe, Pforzheim and Baden-Baden districts.

September 2002

The final of *American Idol* on Fox is a triumphant success. With 22.8 million viewers, it is the highest rated telecast of the summer on any US network for the younger adult age groups.

RTL Television launches its new afternoon programme grid to great success.

Patrick Poivre d'Arvor, one of France's top newsreaders, joins RTL Radio.

October 2002

The UFA group of companies win eight awards at the Deutsche Fernsehpreis 2002.

In Hungary, RTL Klub's reality show *Való Világ* overtakes *Big Brother* and wins more than 40% of 18 to 49 year old viewers.

November 2002

RTL Television's Spendenmarathon raises a record total of over €5.7 million for projects to help children around the world.

December 2002

A management reorganisation at Sportfive sees Robert Mueller von Vultejus appointed President of the German subsidiary, Sportfive GmbH. Thomas Roettgermann becomes managing director.

RTL World's analogue teletext service records 6.3 million viewers in the last week of December 2002 – the highest-ever weekly average for teletext in Germany.

RTL Group de-lists from the London Stock Exchange as trading volumes no longer justify the maintenance of the listing. Our listings in Brussels and Luxembourg remain unaffected.

January 2003

American Idol 2 launches in January 2003 – the first episode attracts 26.5 million viewers.

February 2003

RTL Group's CEO Didier Bellens announces his departure to become CEO of Belgacom, the Belgian state-owned telecoms group.

In the UK, Five appoints Jane Lighting to succeed Dawn Airey as CEO.

March 2003

RTL Group announces the appointment of Gerhard Zeiler as its new Chief Executive and of a new Executive Committee: Gerhard Zeiler, CEO; Thomas Rabe, CFO; Thomas Hesse, Chief Strategy Officer; and Tony Cohen, CEO of FremantleMedia. Nicolas de Tavernost, CEO of M6, is permanently invited to participate in the Executive Committee. Bruno Chauvat leaves the company.

The finals of the German *“Deutschland sucht den Superstar”* and the Dutch *“Idol”* achieved spectacular ratings with a market share of 49.8 % in Germany and 57.9 % in the Netherlands.

In Germany, Johannes Züll is appointed CEO of n-tv and Constantin Lange CEO of RTL NEWMEDIA.

commercial tv

building on our strengths

Our television businesses performed robustly in the face of the worst advertising recession for decades.

Advertisers continued to cut back on television spending during 2002. Germany, our largest television market, was one of the hardest hit. France held up better, and in the UK there were some signs of recovery in the second half of the year. In Hungary, television advertising recorded double-digit revenue growth.

The length and depth of the downturn has tested television businesses everywhere. Our position as the European leader, with stakes in 23 channels in 8 countries has helped us through the difficult conditions. Our businesses collaborated with each other to share ideas and resources; they invested in initiatives to open up new and diversified sources of revenue; they pared down operating costs.

And most important of all, they delivered popular and innovative programming to audiences across Europe. Most were able to maintain or increase audience share in spite of intense competition from other commercial broadcasters, and also from the public channels which benefited from coverage of World Cup football and the Winter Olympics. Our flagship holding, RTL Television in Germany, consolidated its number one position with consistently successful programming. M6 in France has also improved its position. Some of the younger businesses delivered stellar performances – Five in the UK, RTL Klub in Hungary and Vox in Germany can be counted amongst Europe's most successful television channels in 2002.

We made one change to our television portfolio during the year, acquiring a stake in the German news channel n-tv from the Holtzbrinck media group.

Germany
RTL Television: 100%
RTL II: 35.9%
Super RTL: 50%
Vox: 99.7%
RTL Shop: 100%
n-tv: 47.3%

France
M6: 47.5%
RTL 9: 35%

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

Belgium
RTL TVi: 66%
Club RTL: 66%

Luxembourg
RTL Télé Lëtzebuerg: 100%

United Kingdom
Five: 64.6%

Hungary
RTL Klub: 49%

Spain
Antena 3: 17.2%

Technical services
Broadcasting Center Europe: 100%
Cologne Broadcasting Center: 100%
London Playout Centre: 100%
ENEX: 69.3%

Television

Germany

- RTL Television weathers downturn.
- Vox delivers strong audience and revenue growth.
- News resources strengthened with the acquisition of n-tv.

This was another difficult year for Europe's largest television market. Following the decline of 4.2% in 2001, television advertising fell a further 5.2% (gross, source: AC Nielsen S+P), making this Germany's worst ever advertising downturn. In such a competitive television environment, where many homes can receive more than 30 television channels, the fall in revenue put all commercial television companies under pressure.
However, our television businesses, with strong balance sheets and diversified revenue streams, were better placed than their competitors to weather the downturn.
RTL Television turned in a confident performance and retained its position as the market leader. Vox had an outstanding year, bucking the market with a double-digit increase in revenue. Our four German channels together have a clear lead in the 14 to 49 target group, and their combined share of advertising revenue increased to 41.8%

We are building a substantial portfolio of niche channels and television-related businesses. Our acquisition of Holtzbrinck's 47.3% stake in n-tv, approved by the European Commission in November, has strengthened our position in news television. The Berlin-based channel, which posted revenues of €72 million in 2001, is the leading German news television with such formats as *Maischberger, Talk in Berlin* and *Grüner Salon*. RTL Television controls n-tv jointly with AOL Time Warner.
RTL Television's revenue was boosted by the success of its diversification activities. RTL Shop, launched in 2001, made solid progress. Other interests include new media, the marketing and design agency, RTL Creation, a journalism school and several production companies in the Cologne area, including crea tv and Stormy Entertainment.

RTL Television

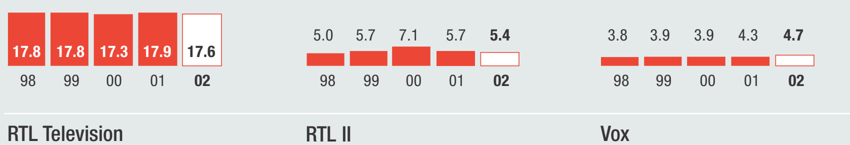
This was another strong year for RTL Television. The channel has now completed 10 successive years as the market leader in the 14 to 49 age range, where its market share is 17.6%. It retained its leadership of total adult viewing ahead of ARD – a considerable achievement in a year when public broadcasters were able to boost audiences with the Winter Olympics and the football World Cup.
Fifty of RTL Television's programmes drew audiences of over 10 million. The largest audience was 13.4 million viewers for the decisive event of the Four Hills ski jumping tournament in January. Formula 1 motor racing and Champions League soccer also attracted high ratings.
The televised election debate between Chancellor Gerhard Schröder and his challenger Edmund Stoiber, shown exclusively on RTL Television, was another highlight with 9.6 million viewers. The channel's main news programme

RTL Aktuell improved its lead among younger viewers, and other news programmes such as *Punkt 12* and *RTL Nachtjournal* were far ahead of their competitors.
RTL Television's new afternoon window launched in September to great success. The *Oliver Geissen Show* and the court shows *Das Strafgericht (Criminal Court), Das Familiengericht (Family Court)* and *Das Jugendgericht (Juvenile Court)* delivered an audience share of 19.3% in the 13:00 to 17:00 time slot.

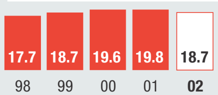
Entertainment shows were as popular as ever. The German version of the *Idols* format, *Deutschland Sucht Den Superstar*, made a triumphant debut and has followed the same successful pattern as all other territories. Several new formats were launched, such as *Domino Day 2002* and the new 'timetainment' format *Die 80er Show* which received the German Television Award.
After more than 2,500 episodes, *Gute Zeiten, Schlechte Zeiten (Good Times, Bad Times)* retained its position as Germany's most successful daily soap on German television, obtaining an impressive 38.2% of 14 to 29 year-old viewers. Although Hollywood feature films continued to be a key element in the channel's programme schedule, in-house and commissioned productions accounted for two thirds of its output.

Audience share 1998/2002 (%)

Target: 14-49
Source: GfK



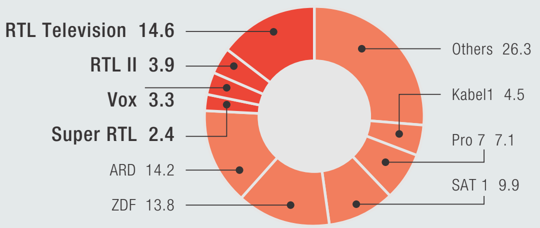
Target: 3-13
Source: GfK



Super RTL

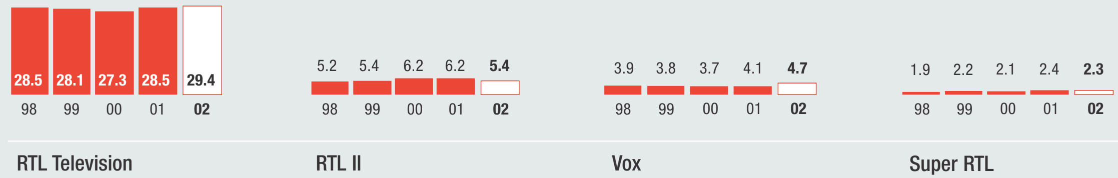
Audience breakdown (%) - 2002

3+
Source: GfK



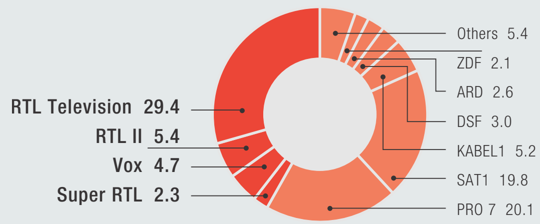
Advertising share 1998/2002 (%)

Source: Nielsen S+P



Advertising breakdown (%) - 2002

Source: Nielsen S+P



RTL II

Munich-based RTL II offers distinctive programming for a younger audience, with fun formats such as *Popstars* and *Teenstar*, movies, lifestyle and infotainment magazines, series and music programmes, together with cartoons for children and young adults.

In 2002 the channel focused on 14 to 29 year olds. *Popstars* was a tremendous success, achieving top ratings and attracting thousands of contestants. Two top bands emerged, No Angels and Bro'Sis, which both became chart toppers. By the year end the two bands had sold more than 5 million CDs. Another music show popular with younger viewers was *The Dome* featuring international megastars.

Following the popularity of *Stargate*, RTL II launched a new series, *Andromeda*. Other successes were *Detective Conan, Pokémon, Dragon Ball* and *Digimon*. Infotainment magazine programmes such as *Exklusiv – Die Reportage* and the news magazine *Die Redaktion* attracted top ratings. The channel also scored with documentary soaps and *Megamen*, the quest for the strongest man in Germany.

In difficult market conditions, RTL II's share of the 14 to 49 year old audience was down slightly at 5.4%, and its share of television advertising fell back to 5.4%.

Super RTL

Super RTL had its most successful year since launch in 1995 and consolidated its leading position in the children's market. Although its share of 3 to 13 year old viewers dropped to 18.7% from the peak of 19.8% achieved in 2001, Super RTL is now firmly established as Germany's most popular television channel for children.

Super RTL also targets adults in the 14 to 49 age range, who watch Super RTL in the early evening when it is the leader of the second division channels. During the primetime segments, it offers some of the most successful female-oriented formats on German television.

A fall in advertising revenue was offset by cost savings and the success of TOGGO, now the strongest children's entertainment brand in Europe. Through TOGGO, Super RTL is able to offer advertisers a powerful combination of television, internet, merchandising and event marketing opportunities. In 2002 Super RTL strengthened the TOGGO portfolio with the launch of an innovative, web-based educational resource for younger children, and it took the popular TOGGO-Tour roadshow to German cities. The success of TOGGO helped Super RTL achieve a significant improvement in earnings.

Merchandising was a significant revenue stream – in *Bob the Builder* Super RTL has the most important pre-school licence in Europe.

Vox

2002 was another outstanding year for Vox, and the most successful since launch in 1993. The channel's strong programme strategy, introduced in 1999, has delivered consistent audience growth. In 2002 its share of the 14 to 49 year-old target group reached a new high of 4.7%. Vox was often in second position behind the market leader RTL Television in key time slots.

Vox showed quality US series such as *Dark Angel*, which had a market share of up to 12.7% during prime time, and *Seventh Heaven* which also regularly achieved double-digit shares during the day. Blockbuster movies drew large audiences, especially in the popular *Starkino* slot on Thursday evenings. The channel cooperated with Spiegel TV to mount several themed nights during prime time, of which the most successful was *Schindler's List – A True Story*. Vox also scored with documentary soaps, crime documentaries, and with its own magazine productions such as the pet show *Hundkatzemaus* and the travel magazine *Voxtours*.

The channel's many programme successes helped it to grow turnover by 11.8%.

Television
France

- Another successful year for M6.
- Stable audiences and revenue.
- Award-winning programmes.

The French television advertising market was stable, and even achieved a small year-on-year increase of 7.1% (gross, source: Secodip).
Our key interest is M6, where we have been building our stake in recent years and now hold 47.5% – the maximum permitted under current French law is 49%.
M6 is one of Europe's most successful television businesses and a key source of earnings for our Group.
In recent years it has implemented a programme of diversification, and this has provided some protection against weakness in the advertising markets.

In July M6 increased its shareholding in TPS, the pay-TV operation, from 25% to 34%.
The setting-up of digital terrestrial television, which would consist of six multiplex, is also in preparation in France. The Conseil Supérieur de l'Audiovisuel (CSA) has selected the channels, of which M6 and two of its theme channels,
M6 MUSIC and TF6, for inclusion in this service.

M6

In 2002 M6 strengthened its position as the second most popular channel for housewives under 50, holding its share of this audience at the impressive level of 19.1% achieved in 2001. It also maintained its share of television advertising revenue at 22.8%.
During the year M6 demonstrated its flair for developing innovative programming for the French market. *QI: Le Grand Test (IQ: The Big Test)* and *Loft Story* were big successes, *Loft Story* setting a new record for the channel with an audience of 8.2 million when the second series launched in

April. *Loft Story* won a Grand Prix des Médias award in June – one of four awards the channel received including best television programme of the year, which went to *Caméra Café.*

M6 has interests in 14 theme channels. Several of these improved their positions in 2002: Club Téléachat extended its coverage to Belgium and the women's channel Téva went on to Canalsatellite, which increased its subscriber base to 3.5 million. The quality of M6's theme channels was recognised in June when Téva, M6 Music and the young adults' channel Fun TV all received Ithème awards, as did M6 itself.

In 2002, M6 made further progress with its family of home shopping, publishing, music, new media, rights acquisition and film distribution companies. These are now a significant source of revenue for M6, and a "best practice" diversification model for companies throughout the RTL Group. CD sales were one of the strongest areas, boosted by *Popstars* winner L5.

M6 kept a close watch on operating costs and at the end of the year consolidated its M6Web and M6 Interactions offices into a single location in Paris.

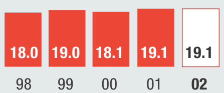
RTL 9

RTL 9's audience share was stable at 2.7%, making it France's leading cable and satellite channel for the eighth consecutive year.

Broadcast from Luxembourg, RTL 9 is a family entertainment channel distributed via the TPS and CanalSatellite pay-TV services in France, and via cable in France and Switzerland. In addition, it broadcasts local programming in Eastern France and Luxembourg utilising its terrestrial signal. RTL 9's technical coverage improved by 5% and it now reaches 6.4 million households.

Audience share 1998/2002 (%)

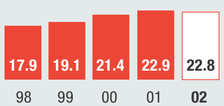
Target: Housewive - 50
Source: Mediamétrie



M6

Advertising share 1998/2002 (%)

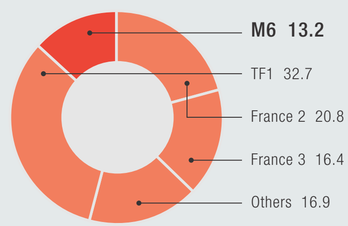
Source: Secodip



M6

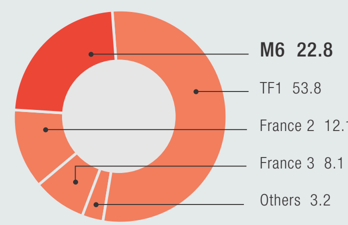
Audience breakdown (%) - 2002

4+
Source: Mediamétrie



Advertising breakdown (%) - 2002

Source: Secodip



Television

United Kingdom

- Strong gains in audience and market share.
- Innovative and widely acclaimed programmes.
- Increased programming budget.

The UK television marketplace continued to evolve in 2002. Multi-channel penetration increased to 45% of UK homes, in spite of the collapse of the second satellite platform, ITV Digital. The main loser was ITV1, the number one commercial channel, which suffered a decline in viewing of almost 10% in 2002.

Television advertising held up better in the UK than in some other European markets. A recovery during the second half of the year resulted in a year-on-year increase of 4.1% – a marked improvement on the 9.2% decline of 2001 (net, source: Five estimate).

Rebranded in August as Five, the channel once again delivered an outstanding performance. It recorded by far the largest audience uplift of any commercial broadcaster and was one of only two terrestrial channels in the UK to record an increase in audience share. Moreover, the channel benefited from a turnaround in public perception, attracting favourable media comment for the vitality and originality of its programmes. Five also demonstrated an increasing ability to attract more upmarket audiences with its peaktime schedule.

five

Five

The key to Five's continuing success is its investment in programming. Undeterred by the harsh environment for terrestrial broadcasters, Five increased its programme budget by 3.5% and agreed to further increases for 2003. By driving down operating costs, the channel has been able to generate funds for investment in programming and other core activities.

Five was successful with its commissioned programmes, notably in the crime, factual and documentary genres. Its arts and entertainment shows were also favourably received. Several prominent broadcasters joined Five's talented line-up, including Donal MacIntyre, Terry Wogan and Gabby Roslin.

Movies from the Warner output deal helped to build audiences – *Independence Day* and *Armageddon* both generated shares of more than 20%. A deal with Columbia was signed during the first half of 2002, securing terrestrial TV premiere rights for major movies such as *Spiderman* and *Men In Black 2*.

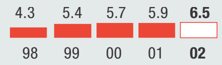
Five's focus on programme quality and its strong marketing helped to drive audience share up to 6.5%, from 5.9% in 2001. The audience profile also improved, with increases in the key ABC1 and 16 to 34 year-old target groups, the latter boosted by the continuing success of the daily drama *Home and Away.*

The channel's advertising sales team took full advantage of the improved audiences, increasing airtime sales by no less than 27% year-on-year. Its share of net advertising revenue increased from 6.4% to 7.5%.

Five's CEO Dawn Airey announced her departure in September. Her replacement is Jane Lighting, formerly Chief Executive of the pay-TV operator Flextech and founder of the distribution business Minotaur International.

Audience share 1998/2002 (%)

4+
Source: BARB



Five

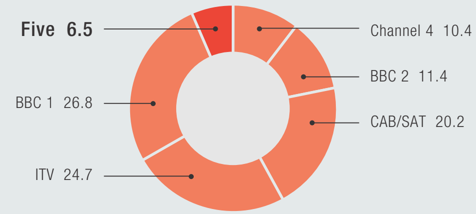
Advertising share 1998/2002 (%)

Source: TV Industry

Five

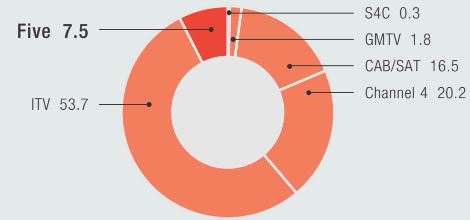
Audience breakdown (%) - 2002

4+
Source: BARB



Advertising breakdown (%) - 2002

Source: TV Industry



Television

The Netherlands

- Strong performances from RTL 4 and RTL 5.
- Continuing cost reductions.

Conditions remained tough in the Dutch television market, although the overall market was up by 5% in 2002 (net, source : SPOT).
We control three channels through Holland Media Groep (HMG) – RTL 4, Yorin and RTL 5. In recent years we have undertaken a major restructuring of our business in the country in order to reduce costs and strengthen our market position. RTL 4 had an excellent year and the three channels consolidated their combined share of the 13+ audience at 27.4%. Our content company Holland Media House (HMH) has made an important contribution to the improvement, generating a flow of successful programmes and reducing our dependence on third party programme-developers.
The drive to bring down costs is continuing.

In November, HMG announced a reorganisation programme which will result in economies of scale and further cost reductions. HMG, HMH and the IPN sales teams will relocate to a single facility in Hilversum.

RTL 4

Friday night was named 'Black Friday' by RTL 4's competitors because of the spectacular success the channel has had with the soap *Goede Tijden, Slechte Tijden (Good Times, Bad Times)*, the detective series *Baantjer*, the pop talent show *Idols*, and the chat show *Barend & Van Dorp*. All four programmes set new ratings records on one Friday in September with *Baantjer* attracting 2.8 million viewers. *Idols* was just as successful in the Netherlands as it has been in other countries, with thousands turning up for the audition rounds held throughout the country and the successful contestants going on to become stars.
The Black Friday phenomenon helped RTL 4 boost its ratings performance. The channel's share of the target audience, 20 to 49 year old shoppers, rose from 16.3% in 2001 to 17.9%. Other successes were the early evening showbiz magazine *RTL Boulevard* and the channel's lifestyle programmes, which range from homes and gardens to camping and cookery. *RTL Nieuws* attracted much praise for its coverage of the events surrounding the assassination of the politician Pim Fortuyn.

Yorin

Following its relaunch in 2001, Yorin quickly established itself as a strong television brand that targets young adults aged 20 to 34 with adventurous and challenging programming. Its output in 2002 included reality formats such as *Big Brother*, edgy talk shows including *Jensen!* and *Kevin Masters starring Tom Rhodes*, and quality fiction such as *24* and *Friends*. Yorin also offered popular and well-established formulas – the comedy series *Samsam* and the daily soap *Onderweg naar Morgen (Underway to Tomorrow)* both scored high ratings.

With *Bon Bini Beach*, Yorin introduced a new format to television in the Netherlands – the tele-novelle, which the channel describes as ‘a soap with a beginning and an end’. The format has been successful in South America, and the Yorin programme tells the story of a young Dutch woman who runs a beachclub in Curacao.

However, Yorin did experience some programming disappointments during the year and its share of 13+ listeners fell from 6.5% to 5.4%.

RTL 5

The third member of the HMG television family is RTL 5, which complements RTL 4 and Yorin by offering a multifaceted service of business, information, sports, movies and entertainment programmes targeted at male viewers. It increased its share in 2002 and now has 6% of 20 to 49 year-old male viewers.

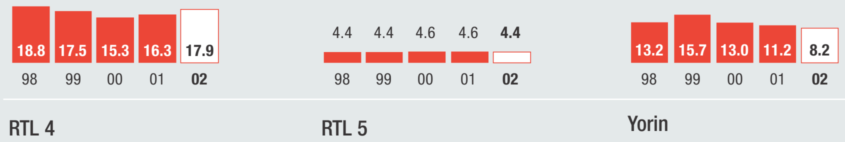
RTL 5 has become the country’s preferred channel for breaking news, while its financial programme, RTL Z, has firmly established itself on the Dutch broadcasting scene with an average daily audience approaching one million.

Sport is a mainstay of the schedule. RTL 5’s Formula 1 motor racing coverage attracted high ratings in 2002, as did its UK Premier League and German Bundesliga football matches. The channel also covered golf and tennis events.

Audience share 1998/2002 (%)

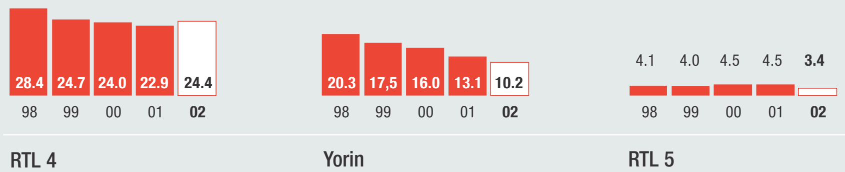
Target: shoppers 20-49
Source: Intomart

Target: 20-34



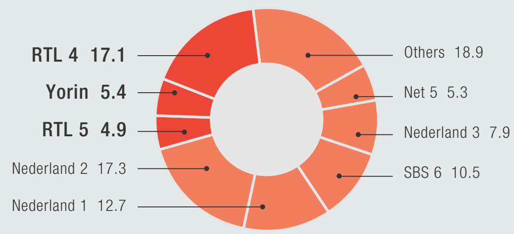
Advertising share 1998/2002 (%)

Source: BBC



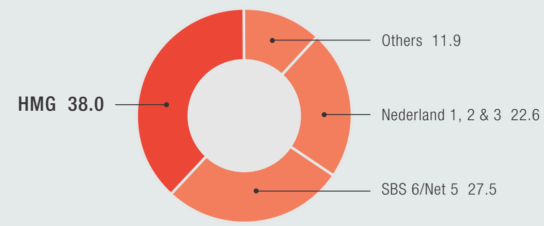
Audience breakdown (%) - 2002

13+
Source: Intomart



Advertising breakdown (%) - 2002

Source: BBC



Television

Belgium and Luxembourg

- Competition intensifies in Belgium.
- Continuing success for RTL Télé Lëtzebuerg.

Our two Belgian channels, TVi and Club RTL, together account for around two thirds of the country's television advertising market. It was a challenging year for the two channels, and the IP advertising sales teams performed strongly to deliver a joint share of 65.8% in 2002.
The country's television market is complex, with French as well as Belgian channels competing for audience share. Moreover, a new rival channel launched in 2001 – AB3 - achieved a 4.5% share of the adult audience in its first year. Several of the established channels lost viewers, although TVi and Club RTL's joint share of 28.7% ensured that they maintained their leadership position in French-speaking Belgium.

To help us build on our strong position in Belgium, we restructured our Belgian management during the first half of the year. A new team was appointed with Philippe Delusinne as CEO, Freddy Tacheny as General Manager of TVi and CEO of IP Belgium and Michel Joiris as Director TV.
In Luxembourg the television advertising market fell 7.5% (gross, source: Publinvest), but RTL Télé Lëtzebuerg had another highly positive year with further success for its locally-produced programming.

Belgium: RTL TVi

The TVi production *Star Academy Made in Belgium* was the highlight of the year. Launched at the end of the summer, the controversial reality show captivated audiences, generated much advertising for the channel, and made inroads into TF1's *Star Academy* ratings.
RTL TVi is a general interest channel that reaches 95% of Belgian households by cable. In 2002, *Qui Sera Millionnaire? (Who Wants To Be A Millionaire?)*, *Place Royale (Royal Square)* and *À La Flamande (The Flemish Way)* were among the most popular shows in French-speaking Belgium. Films and fiction series such as *ER* and *Medicopter* also drew high ratings.
RTL TVi's information programming performed strongly. As well as the two daily *Le Journal* news shows, RTL TVi offered a range of original information programmes, from *Reporters* and *Enquêtes (Investigations)* to *Coûte Que Coûte (Whatever the Cost)* and *Tout s'explique (Everything Has an Explanation).*

Belgium: Club RTL

Club RTL complements RTL TVi with programmes for children, teenagers, and a male-oriented adult audience. Children can watch cartoons in the mornings and afternoons, while teenagers have their own shows and adventure series such as *Clip Club, Fan Club, Dawson's Creek* and *Party of Five.*

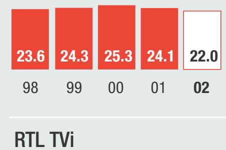
Adult audiences were boosted during the year with the success of the reality formats *Loft Story 2*, broadcast in collaboration with M6, and *Pop Stars*. UEFA Champions League football also continued to attract good ratings, and since August 2002 the channel has covered the Belgian Cup and matches played by the Diables Rouges team. Cinema classics and long-established series such as *Roswell* and *The X-Files* rounded off the channel's schedule.

Luxembourg: RTL Télé Lëtzebuerg

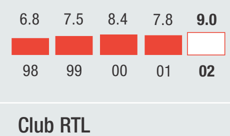
Although competition intensified in Luxembourg following the launch of a new national television channel, RTL Télé Lëtzebuerg had a record year. The audience increased to 135,000 viewers per day and share rose from 70% to 72%. The popular *Planet RTL* show, launched in September 2001, became the number one programme on Luxembourg television in the 18:00 to 19:00 time slot, reaching 10% of the population. RTL Télé Lëtzebuerg is now broadcasting 24 hours a day and has increased its investment in locally-produced programming, to include a version of the *Idols* format, *Talents*. It has also developed its interactive programming with *RTL Radio Web TV*, an innovative mix of radio, television and internet available during morning and lunchtime slots with news flashes, live traffic cams and weather information.

Audience share 1998/2002 (%)

Target: 18-44
Source: Audiométrie

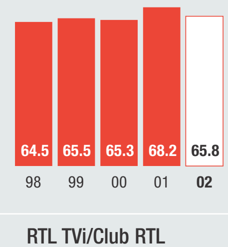


Target: 15-34



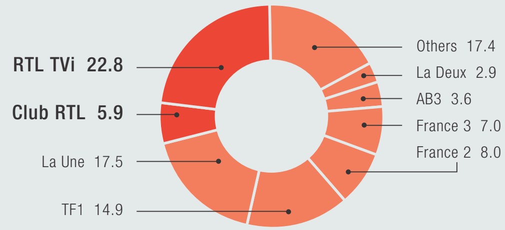
Advertising share 1998/2002 (%) (French-speaking Belgium)

Source: MDB Videotrack



French-speaking Belgium audience breakdown (%) - 2002

4+
Source: Audiométrie



Television

Hungary

- RTL Klub establishes leadership in its target market.
- Continuing programme successes.

Hungary's resilient television advertising market bucked the European trend with an increase of 11% in 2002 (net, source: RTL Klub estimate).
RTL Klub had a spectacular year, building audiences and pushing up its share of television advertising from 52% to 57%. It responded impressively to the challenge posed by a rejuvenated TV2, by developing its own hit reality show *Való Világ (Real World)*. RTL Klub has built up a powerful position since its launch in 1997 and has now established itself in pole position as the market leader in the 18 to 49 age range, where its share increased from 40.8% to 42.1%.

RTL Klub

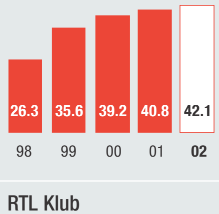
RTL Klub faced fierce competition from its commercial rival TV2, which brought *Big Brother* to Hungarian screens in the autumn. The two channels fought out a head-to-head ratings battle when RTL Klub scheduled its own reality show, *Való Világ*, directly against TV2's popular show. After a slow start, *Való Világ's* ratings climbed steadily and by the third week in October it had overtaken *Big Brother* to reach a 41.3% share of 18 to 49 year olds. The show's success was a triumph for the channel, confirming its talent for developing successful formats tailored to the needs of the Hungarian television market and demonstrating its ability to react quickly when necessary.

RTL Klub enhanced its sports programming in 2002. It signed a five-year contract with the Hungarian boxing champion Mihály Kótai and strengthened its motor racing output with coverage of Formula 1 and the Paris-Dakar Rally. In August it provided broadcasters around the world with television pictures of the Hungarian Grand Prix, with valuable assistance from RTL Television in Germany who provided knowhow and technical support.
No fewer than 43 of the top 50 movies on Hungarian television were broadcast on RTL Klub, including the top 6 – among the successes were *Star Wars* and *Indiana Jones*.

The channel also scored with the *ER*, *Beastmaster* and *Nash Bridges* series. *Barátok Közt (Between Friends)* regained its position as Hungary's most-watched show after a short period when it lost ground to the reality shows.

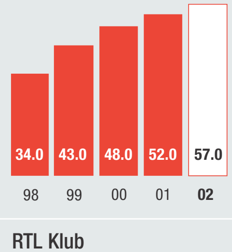
Audience share 1998/2002 (%)

Target: 18-49
Source: AGB Hungary



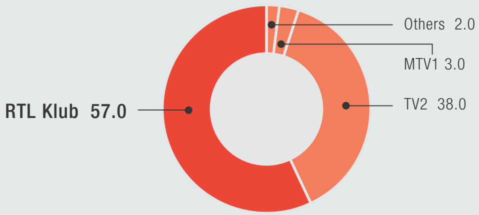
Advertising share 1998/2002 (%)

Source: RTL Klub, Estimates



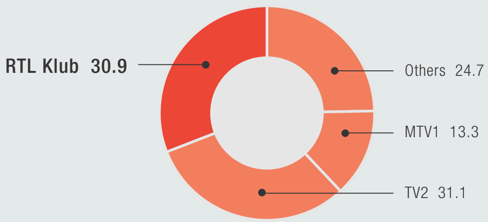
Advertising breakdown (%) - 2002

Source: RTL Klub, Estimates



Audience breakdown (%) - 2002

4+
Source: AGB Hungary



Television

Spain

• Solid performance from Antena 3.

Television advertising in Spain followed the European trend with a fall of 4.0% in 2002 (net, source: Infoadex).
Spain is an important television market with 12.3 million television households. Cable and satellite have low rates of penetration and most viewers have access to only four national channels. Antena 3 is one of two private channels. Although we hold a small stake of 17.2%, it is very much part of the RTL Group family, cooperating with Group companies and exchanging ideas.
Antena 3's other principal shareholders are Admira Media (47.5%) and Grupo Santander Central Hispano (30.2%).

Antena 3

Antena 3 was tied for number one in terms of audience share among private broadcasters, maintaining its audience share at 20.3%, close to the level achieved the previous year. Audiences were boosted by its football coverage during the summer, when it became the first private network to broadcast World Cup football.
El Gran Test (The Big Test) was a major success with 4.3 million viewers, and *Los Simpson* and the three-part drama *Padre Coraje* also reached large audiences. The series *Un Paso Adelante (A Step Forward)* has established itself as a firm favourite with viewers and a launchpad for the musical careers of its stars, whose records have topped the Spanish charts. Once again, Antena 3 Noticias was the leading private news service.
Antena 3 started digital terrestrial transmissions in April 2002 and now broadcasts simultaneously via satellite and free-to-air.

Antena 3

Television technical services

• Continuing consolidation.

We continued to consolidate our technical resources into a single division comprising Broadcasting Center Europe (BCE), Cologne Broadcasting Center (CBC) and London Playout Centre (LPC). These companies provide television and radio playout services and production facilities, both to companies within RTL Group and to external clients. The division also includes ENEX (European News Exchange), a network for the exchange of news footage between television broadcasters around the world.

In the first quarter of the year we disposed of our 100% interest in the French technical facilities company VCF (Vidéo Communication France) to Mediaproduccion for €12.2 million. Mediaproduccion subsequently sold 50% of VCF to Sportfive.

Production and transmission services

In 2002, Luxembourg-based BCE further exploited the digital platform installed the previous year, providing new applications arising from video digitisation such as file transfers and low resolution screening files. BCE was awarded new contracts for the playout of Bibel TV, TV Shop and the Luxembourg Chamber of Deputies. Its radio business performed well following the introduction of medium wave transmission of programmes for China Radio International.

CBC maintained its successful position in 2002. From its Cologne studios, the company provides transmission and production services for such clients as Super RTL, Vox, Viva, Viva Plus and tv.nrw, as well as advertising windows for Super RTL, Vox and Viva Poland. From its Munich studios, CBC looks after programmes for the pay-TV broadcaster Multithématiques and Universal Studios. In the final quarter CBC completed an extensive programme of modernisation at its audiovisual control centre. There was a change of senior management during the year: Thomas Harscheidt was promoted to CEO following Alain Flammang's appointment as CEO of RTL Group Technical Division.

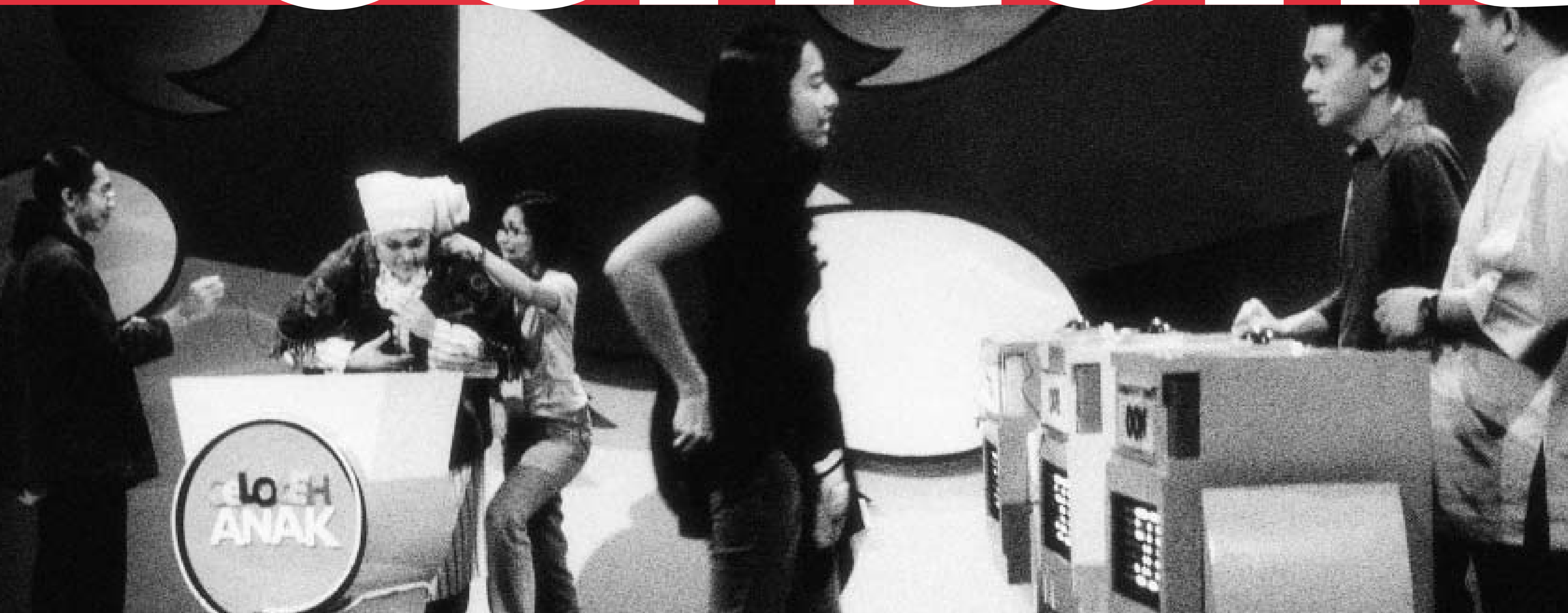
LPC is one of the largest independent television facilities in Europe. In 2002 it provided transmission, studio and post-production services to such clients as Discovery, Universal, Five, Flextech, MovieCo and Bollywood...

News networking

ENEX performed well in 2002 with increased bookings on its transponder. The number of broadcasters in the ENEX network also increased to 28. The two new partners are the Polish news channel TVN 24 and BOKAT, a news-gathering operation for channels in Croatia, Serbia and Bosnia-Herzegovina. At the end of the year ENEX made progress in its strategy to extend globally, forming partnerships with major broadcasters in India and New Zealand.

bce broadcasting center europe   cbc Cologne Broadcasting Center   LPC   ENEX EUROPEAN NEWS EXCHANGE

selling internationally
content



The success of *Idols* around the world helped our content business fight tough market conditions.

2002 was a challenging year for content companies everywhere. Broadcasters were looking for ways to bring down programme costs – big budget drama series became increasingly difficult to finance and the sports rights market softened as the year progressed.

Although our content companies suffered in this harsh climate, FremantleMedia had great success with the reality entertainment format *Idols*, which it is producing for television channels around the world. *Idols* demonstrated FremantleMedia's international scale and confirmed its ability to develop attractive formats and bring them successfully to local markets.

FremantleMedia also made progress with its licensing activities and reorganised its distribution business to reflect changing market circumstances.

For Sportfive it was a year of transition, during which the merger of the UFA Sports, Sport+ and Groupe Jean-Claude Darmon businesses was completed. Three-way mergers are seldom straightforward and this was no exception, but by the end of the year key integration issues had been positively resolved.

Sportfive won several major contracts during the year, strengthening its position in international football and rugby rights and taking its first steps to build a presence in boxing.

Australia
Grundy Television: 100%

France
Sportfive: 46.4%
Be Happy: 100%
Grundy France: 100%

Germany
UFA Film & TV Produktion: 100%
Grundy LE: 100%
Grundy UFA: 100%
Phoenix Film: 51%
TeamWorx: 77%
Trebitsch: 64%
BMG Video: 100%

Hungary
Magyar Grundy UFA TV: 100%

Italy
Grundy Italia: 100%

Luxembourg
Delux Production: 100%
CLT-UFA International: 100%

Netherlands
Holland Media House: 100%

Spain
Producciones Fremantle: 100%

United Kingdom
FremantleMedia: 100%
Thames Television: 100%
Alomo: 100%
Talkback: 100%
FremantleMedia Enterprises: 100%

USA
FremantleMedia North America: 100%

Content

FremantleMedia Production

- Major international success for the *Idols* format.
- New drama and entertainment programmes.
- Established formats launched into new markets.

FremantleMedia Production had a good year, boosted by the success of the *Idols* format, which launched in six countries in 2002 with more signed up for 2003. The total number of productions increased by 14% to a record 287.

Shows were produced in over 39 territories, including the UK, the USA (where several major projects were developed), Germany, Australia, France, Italy, Spain, Portugal, Scandinavia, Latin America and Asia. FremantleMedia launched its first programme in China – *Mei Ren Guan*, based on the *Man O Man* format – and expanded its production in Latin America where it had 11 shows on air.

The umbrella for FremantleMedia's production activities in Germany is UFA Film & TV Produktion. With its associated and subsidiary companies, it is the country's market leader. Other operating companies, such as Grundy in Australia, Thames and Talkback in the UK and FremantleMedia North America are also market leaders.

FremantleMedia teams won more awards than ever before, including Europe's top television award, The Rose d'Or 2002, for *Pop Idol*, which also won a BAFTA – another BAFTA went to Talkback's drama *Perfect Strangers*. In Germany, teamWorx won four Grimme gold awards for the drama *Ende der Saison* (*End Of The Season*), with many other awards for *Der Tanz mit dem Teufel (Dance with the Devil)*. UFA group companies won eight awards at Der Deutsche Fernsehpreis.

Idols: an international phenomenon

Idols, the search for a national solo pop idol, was a television sensation, everywhere it played with audiences gripped as contestants competed for guaranteed stardom and a major record contract.

It premiered in the UK as *Pop Idol*, produced by Thames for ITV1, and was a massive ratings success achieving a 57% share for the final. It subsequently captured large audiences in the USA, South Africa, Poland, Germany and the Netherlands, creating national pop idols wherever it went. *American Idol* on Fox was the highest rated telecast of the summer on any US network for the younger adult age groups – 22.8 million viewers watched the final, while an unprecedented 110 million telephone votes were registered during the series. *American Idol 2* launched in January 2003, the first episode attracting 27 million viewers. The German production *Deutschland sucht den Superstar* on RTL Television delivered a number one hit record for the finalists even before the series had reached its climax, while our Netherlands stations RTL4 and Yorin achieved rating success right from the start of their version of *Idols*.

Developing new programmes

FremantleMedia Production launched many successful new drama and entertainment programmes around the world.

The new drama series *Edel & Starck* on Germany's SAT 1 gained an average audience of 3.3 million viewers. The series was produced by Phoenix Film, UFA having taken a stake in the company in 2002. UFA companies produced 40 television movies in 2002, including the drama *Bobby* from teamWorx, which performed extremely well on ARD.

In the USA, FremantleMedia launched updated versions of the classic game shows *Whammy! – The All New Press Your Luck*, which was the highest rating new production on the Game Show Network, and *Beat The Clock* on Pax TV.

A new reality game show format *The One and Only*, from FremantleMedia's development partner Blu Entertainment, launched on Denmark's TV3 as *Den Eneste Ene*. The show increased the ratings for women aged 15 to 30 by as much as 78%. The game show *Steal*, another Blu Entertainment format, premiered in Denmark as *Vind Boxen* on DR1 and subsequently in Finland as *Bonus* on MTV3, where it ranked number one in its time slot.

The hit reality format *The Bar* launched successfully on MEGA in Greece. Along with other new shows *The Farm* and *Popstars*, and local adaptations of *Who Wants To Be A Millionaire?* and *The Weakest Link*, FremantleMedia is responsible for some of Greece's most high-profile entertainment formats.

In Asia, the brand new game show *TXTeen* was launched in Thailand, while established game show format *Card Sharks* was launched in the Philippines and *Small Talk* in Indonesia and Thailand.

In the UK, Talkback Productions launched 13 new shows, including *The Life Laundry* and *Liar*, both of which premiered successfully on the UK's BBC2. *Liar* has since launched in France as *Menteur* on TF6, while *The Life Laundry* is set to broadcast as *Your Life On The Lawn* on 7 Network in Australia in 2003.

FremantleMedia teamed up with British celebrity chef Jamie Oliver to develop original programme ideas through Fresh One Productions. *Jamie's Kitchen*, a Talkback-Fresh One co-production, was Channel 4's second-highest rating series of the year. Other Jamie Oliver series from Fresh One included *Oliver's Twist*, produced in association with Thames Television and the Food Network in the USA where it premiered.

Long-running dramas

FremantleMedia's well-established drama formats continued to deliver large television audiences around the world.

In the UK Thames' *The Bill* finished the year as the highest rating weekday drama series on the UK's ITV1 with audiences of over nine million.

Germany's most successful daily serial drama *Gute Zeiten Schlechte Zeiten (Good Times Bad Times)* celebrated its 2,500th episode in June by gaining more than seven million viewers – its highest ever audience. Another drama on RTL Television, *Hinter Gittern (Behind Bars)*, drew audiences of over five million, and a version of the format is currently being developed for the US market. *Barátok Közt (Between Friends)* on RTL Klub remained Hungary's number one drama. In 2002 the format launched in a second country, Romania, broadcast as *In Familie* on Prima TV.

Grundy Italia enjoyed continued success with the long-running dramas *La Squadra* and *Un Posto Al Sole (A Place in the Sun)* on RAI 3, gaining weekly audiences in excess of 3.6 million and 2.5 million viewers respectively.

During 2002 FremantleMedia produced some of the highest rated programmes in Finland, *Secret Lives* being the top drama series for the fourth year, with a 63% share.

Popular game shows

FremantleMedia's game show formats were as popular as ever. *Family Feud* was broadcast in 17 territories in 2002, and *The Price Is Right* in 12.

In the USA, a highly successful series of *The Price Is Right Specials* were shown on CBS.

In France, *Questions Pour Un Champion*, based on the format *Going For Gold*, was France 3's highest rated game show for the seventh consecutive year. The long-running show *100%* also had another successful year for France 5.

UFA Entertainment's hit magazine format *Die Redaktion*, and its sister shows *Die Redaktion – Stories* and *Die Redaktion – Special*, were further established as permanent programme brands for RTL II in Germany.

- Growth in licensing revenues.
- Interactive and licensing businesses merged.
- Reorganisation of FremantleMedia International Distribution.
- Launch of FMusicTV.

Content

FremantleMedia Enterprises

To ensure that FremantleMedia capitalises on the full potential of *Idols*, a new worldwide FremantleMedia Music TV company was established by FremantleMedia Enterprises, the division responsible for the distribution and licensing of FremantleMedia's programmes and entertainment brands. FMusicTV will centralise the overall management of the *Idols* brand and develop other music and music-based global event programming for exploitation across the FremantleMedia group.

The distribution business, Fremantle International Distribution (FID), was reorganised in the early part of 2002 to create a more decentralised operation. In parallel to the re-structuring, FID has reduced its exposure to deficit financing, and now focuses on co-productions and pre-sales to help fund ambitious, internationally attractive programmes. FremantleMedia's interactive and licensing businesses were brought together during the year to form FremantleMedia Licensing Worldwide.

FremantleMedia Licensing

The rollout of the *Idols* format around the world resulted in a successful year for FremantleMedia Licensing Worldwide (FLW). *Idols* generated many profitable licensing opportunities, ranging from branded Cindy dolls and karaoke machines to managing the *Idols* telephony – a formidable undertaking with millions of viewers voting by telephone. Fremantle Interactive broke records in the UK and USA as fans went online to chat with the finalists. FLW also benefited from the popularity of DVD, which in 2002 became the dominant consumer format. Its home entertainment business reported strong demand worldwide – uncut releases of such films as Sam Peckinpah's *Straw Dogs* performed well following their release on DVD, as did *Benny Hill* and *The World at War* in the USA.

In the UK, the team had great success with its brand licensing campaign for *Rainbow*. The cult children's television show celebrated its 30th anniversary in October with a series of initiatives and events including the release of a Top 20 single in a licensed deal with BBC Music, the *Rainbow Disco Roadshow* tour of clubs and universities, and a special anniversary video/DVD.

FLW has continued its successful extension of game show brands into gaming with further developments of *The Price Is Right, Family Feud, Sale of the Century* and *To Tell The Truth* in slot machines, *The Price Is Right* in lottery scratch cards, as well as pay to play and on-line versions of *The Price Is Right* and *Family Feud* with Mobiliss and WagerWorks. The Group has also concluded additional gaming deals in both the UK and Australian markets.

Fremantle International Distribution

Fremantle International Distribution also benefited from *Idols*, securing distribution deals for the second series of *American Idol* in countries such as Canada, the UK, Singapore, Ireland and New Zealand. Jamie Oliver's cookery series *Jamie's Kitchen*, *Oliver's Twist* and *Jamie Oliver's Happy Days Live* transferred well to international markets including Australia, Canada, Denmark, France, Japan, Hong Kong, Hungary, Iceland, Italy, Norway, the Netherlands, New Zealand, Singapore, South Africa and Sweden. FID is distributing *Oliver's Twist* in over 29 countries.

FID also established a co-production unit to develop new drama projects for the international market, source projects from broadcasters and independent producers, and help raise finance for projects initiated by FremantleMedia's local production operations.

Universum Film

Universum Film, formerly BMG Video, benefited from a 20% uplift in the German video market. The success of DVD is driving growth – the format accounted for 65% of Universum Film's sales. The company has established itself as a major player and aims to become the leading independent distributor. Its top title *Schuh des Manitu* was the most successful rental and sell-through title in Germany in 2002, and heavy promotion of the back catalogue helped it to occupy 19 of the top 50 positions in the German DVD charts in June. Universum Film is cooperating with our television channels in Germany in the areas of rights acquisition, programme supply and promotion. In 2002 it launched a theatrical distribution business in conjunction with RTL Allrights and Constantin Film, which by the year end had released three films.

Delux Productions

Delux Productions co-produced four feature films in 2002. *Octane* is a dark thriller starring Madeleine Stowe and was produced with Random Harvest Films and Buena Vista International. *The Tulce Luper Suitcases* is the first film of a trilogy by Peter Greenaway. *Emperor's Wife* is an adult fairy tale directed by Julien Vrebos and starring Jonathan Rhys Meyers. The fourth film, *Girl with a Pearl Earring*, is an adaptation of Tracy Chevalier's best selling novel about a young servant who goes to work for the painter Johannes Vermeer. It stars Colin Firth, Tom Wilkinson and Scarlett Johansson and was produced with Archer Street Films and Pathé UK. All four films were shot in Luxembourg using Delux's studio facilities and will be released in 2003.

- Adverse conditions in the sports rights marketplace.
- Sportfive maintains profit and growth in its key territories.
- Management integration progressing.

Content

Sports rights

Sportfive was created at the end of 2001 by combining RTL Group's UFA Sports with Sport+ and Groupe Jean-Claude Darmon. The new entity is owned 46.4% by Groupe Canal+ and 46.4% by RTL Group. The company's Chairman and CEO is Jean-Claude Darmon, who owns 5.0% of the equity.

The merger brought together three successful businesses with complementary assets, and created a powerful new force with the necessary scale and financial muscle to be a leading player in the international sports marketing arena. But in its first year of operation Sportfive had to overcome extremely tough and volatile conditions which affected the entire market. The value of sports rights fell, and the downturn in advertising forced terrestrial broadcasters to cut back on sports budgets. Cable and satellite operators struggled to survive and in some cases went out of business entirely. The bankruptcy of PSN, one of Sportfive's customers in South America, had a negative impact on the company's business in the first half of the year.

Thanks to its sound balance sheet, strong customer relationships, and innovative marketing approach, Sportfive emerged in better shape than some of its peers. Its financial performance in its first year of operation was encouraging, particularly in the home territories of France and Germany where growth and profitability was maintained.

The considerable cultural and professional challenge of integrating the three businesses had progressed by the year end. Difficult decisions were taken and some key management issues have been resolved, culminating in the appointments of Robert Mueller von Vultejus and Thomas Roettgermann as President and Managing Director of the German subsidiary, Sportfive GmbH.

Sportfive

In 2002 Sportfive managed the television and marketing rights contracts for over 320 football clubs, including top premier league clubs in France, Germany and Italy. It also had contracts with more than 40 national football federations and several major European football leagues. One of Sportfive's major projects during the year was the worldwide sale of broadcasting rights for more than 160 out of the 200 qualification matches for the Euro 2004 tournament.

The company also has a strong presence in the rugby rights marketplace. Rugby is growing in popularity with viewers across five continents, and is attracting high profile corporate sponsors who want to associate their brands with a sport that embodies emotion, team spirit and competitiveness. Sportfive has been the exclusive distributor of television and marketing rights for the French Rugby Federation for some years and has contracts with several leading French clubs. It has also won the contract to sell the international television rights for the Six Nations Tournament for the 2003 to 2005 seasons.

Sportfive has interests in tennis and skiing, and manages the international television rights for the international basketball and handball federations. It has also entered the boxing marketplace for the first time. Working alongside Universum Box-Promotion, Sportfive is coordinating the marketing and sponsorship for the two Klitschko brothers, heavyweight champions with a strong following in Germany. The aim is to extend awareness of "brand Klitschko" beyond Germany by applying the comprehensive marketing approach that Sportfive has developed with German football clubs.

Sportfive established a new television production division during the year, enabling it to consolidate its expertise and strengthen its worldwide network of sports broadcasters and producers. The new division is able to draw on technical support from VCF (Vidéo Communication France). VCF is the leading private technical services provider to French television and is owned jointly by Sportfive and Mediaproduccion.

a resilient performer

radio

Our radio interests came through a challenging year in fine shape, led by an excellent performance from our French radio family.

Radio continues to exert a powerful grip on audiences across Europe. Listening levels have increased steadily as the airwaves have opened up to private operators. In several countries, radio has expanded its share of the overall advertising market by attracting growing numbers of advertisers keen to exploit its lower costs. Although our radio interests could not entirely escape the consequences of the economic downturn, advertising revenue generally held up better in radio than in television. The lower cost of radio airtime makes it attractive to advertisers when budgets are under pressure. In France, our most important market, radio revenue actually increased year-on-year. Moreover, our radio holdings in the country outperformed the market to deliver highly satisfactory double-digit earnings growth. Our strategy is to build a substantial radio presence in countries where we already have strong television operations. Thus in 2002 we decided to acquire the Holtzbrinck's radio stations, of which some have still to be approved by the regulatory authorities. This acquisition will greatly enhance our existing portfolio and extend our coverage into federal states where we have previously been unrepresented.

During the year we completed the disposal of our interests in the Swedish radio stations Lugna Favoriter and WOW 105.5, and we sold two of our holdings in Germany as part of the refocusing of our radio portfolio.

France
RTL: 100%
RTL 2: 100%
Fun Radio: 100%
Sud Radio: 20%
Blanc Bleu Communication: 20%

Germany
104.6 RTL: 100%
Radio NRW: 17%
Antenne Bayern: 16%
Radio Hamburg: 29.2%
RTL Radio– Die besten Hits mit Gefühl: 100%
Hit-Radio Antenne Niedersachsen: 36%
Hit-Radio Antenne Sachsen: 48.9%
Hit-Radio Brocken: 24%
Antenne Thürigen: 7.5%
Antenne Mecklenburg-Vorpommern: 24.5%
Radio 21: 17%
Hit-Radio RTL: 25.2%
BB Radio: 40%
Radio Ton: 2%

Luxembourg
RTL Radio Lëtzebuerg: 100%

Belgium
Bel RTL: 43%
Radio Contact: 49.9%

The Netherlands
Yorin FM: 100%

Radio
France

- Revenue uplift of 9%.
- RTL Radio consolidates its audience gains.

French radio was one of the few advertising markets in Europe to avoid the economic downturn, improving by 9% over 2001 (net, source: Secodip).
Our radio stations had an excellent year, delivering impressive revenue growth of 17.5%. RTL Radio, RTL 2 and Fun Radio together provide advertisers with highly targeted and complementary coverage – a powerful competitive advantage which the new IP sales team under Stephane Ambrosini and Jean-Luc Viaud exploited to the full.
RTL Radio further enhanced its reputation for quality news and entertainment programming, while RTL 2 and Fun Radio achieved record ratings. RTL Radio remains the market leader, in spite of changes to the audience measurement system which had negative consequences for its reported share of listening.
The RTL Fun Développement subsidiary, established in 2001 to manage diversification activities, was boosted by the success of three albums. One of these featured Fun Radio's ever-popular host Arthur and won a double gold record in just four weeks. The others were issued to mark anniversaries for *Les Grosses Têtes* and Laurent Gerra.
We also have a 20% holding in Sud Radio which we acquired in 2001 to improve our presence in the south of the country.

RTL

RTL Radio consolidated its position in 2002, building on the improvements introduced the previous year and confirming its leadership of France's radio market. The "best radio" award at the Grand Prix des Medias was recognition of the impressive recovery the station has made since the setbacks of 2001.
In the first half of the year, RTL Radio's editorial staff focused on the French presidential election, forming partnerships with the most important daily newspapers and delivering high quality political interviews and debates. The excellence of RTL Radio's news coverage is a key driver of the station's success and features prominently in its promotional campaigns.
Another of RTL Radio's assets is its line-up of presenters,

RTL RTL2 funradio SUD RADIO Ecoutez pour voir !

which was strengthened in September with the arrival of one of the country's top newsreaders, Patrick Poivre d'Arvor. Another key presenter is Philippe Bouvard, whose popular entertainment show *Les Grosses Têtes (The Big Heads)* celebrated its 25th anniversary. The show benefited from the introduction of daily guest stars from a variety of different backgrounds. RTL Radio continued to build its reputation for interactive programming, with Julien Courbet's daily programme attracting increasing numbers of listeners.

The official audience measurement body Mediamétrie extended its survey to cover listeners aged 13 and over – in previous surveys the lower age limit was 15. Although this was to RTL Radio's disadvantage, reducing its cumulative rating by 0.5%, the station emerged strongly with an audience share of 12.8% and in December, RTL Radio profited from another study of radio listening conducted by Mediamétrie, which demonstrated that news and talk programmes are listened to more attentively than music programmes.

During the year, the RTL Group management board voted to change RTL Radio's statutes, creating a Supervisory Board and a Management Board chaired by Remy Sautter and Robin Leproux respectively. The Management Board includes Jean-Michel Kerdraon as Vice Chairman and Noël Couëdel as Director General for News.

RTL 2

In September RTL 2 launched a drive to attract more listeners. The pop-rock station increased its talk programming with the introduction of new morning and evening drivetime shows. Alexandre Devoise joined the RTL 2 team to present the morning programme, which offers a light-hearted mix of games, news and coverage of music, cinema and media. The evening show, hosted by Christophe Dechavanne, has lively talk and conversation. The new programming was supported with a campaign of press, poster and television advertising.

In the fourth quarter RTL 2 delivered its best listening figures since launch and consolidated its position in its

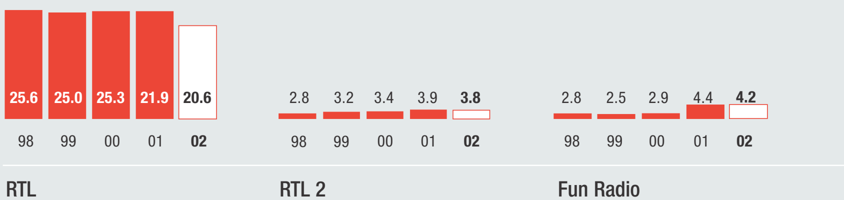
target audience of 25 to 49 year olds with more than 2.2 million listeners.

Fun Radio

Fun Radio broadcasts fifteen hours of hits and nine hours of talk each day – a mix of best music combined with the unique “Fun spirit”. The station builds awareness by mounting tours and events throughout the country. In November it staged three different Planetarthur programmes simultaneously in Montpellier, Lyon and Paris.
During the year Fun Radio developed its partnerships with top performers, including Britney Spears and Jamiroquai, and sponsored several movie releases. It renewed its collaboration with M6’s reality formats, linking up with the television channel to broadcast *Loft Story* and *Popstars* programming. Fun Radio also had an exclusive partnership with RTL Radio to cover the opening of the Walt Disney Studios in March.
Fun Radio confirmed its position in the French radio market and, like RTL 2, achieved record ratings towards the end of the year. It now attracts more than 3.8 million listeners.

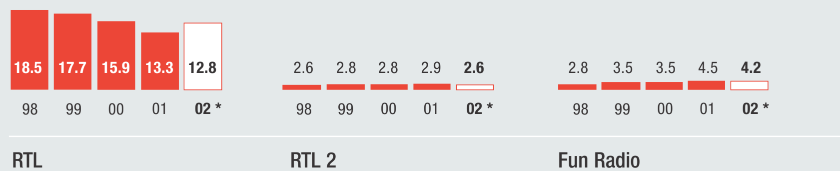
Advertising share 1998/2002 (%)

Source: Secodip



Audience share 1998/2002 (%)

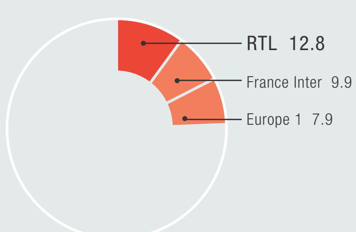
*** 13+ since Sept. 2002 (instead of 15+)**
Source: Mediamétrie



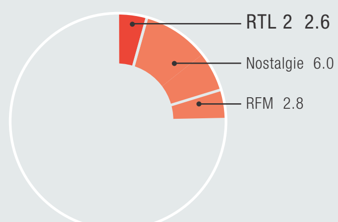
Audience breakdown (%) - 2002

13+ (since Sept. 2002)
Source: Mediamétrie

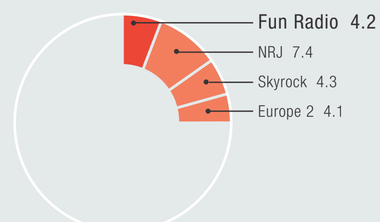
General interest radio networks



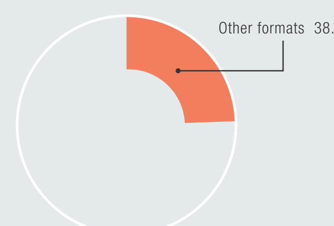
Music radio networks targeting adults



Music radio networks targeting young listeners



Other formats



Radio Germany

- Significant strengthening of the portfolio.
- Tough competition for audiences and revenue

2002 was the second year of decline for the radio advertising market in Germany, although at 3.9% the fall was less severe than in 2001 (gross, source: S+P Nielsen). Competition for audiences and revenue was as intense as ever, and all radio stations had to fight hard to retain their market shares. Several of the stations in which RTL Group has holdings lost audience share, but they responded with vigorous promotions and programme relaunches.

We are building a strong position in German radio, although constraints on media ownership mean that we are limited to minority holdings. We took a major step forward in August, when we announced our intention to acquire the German publisher Holtzbrinck's radio holding AVE. This acquisition, approved by the cartel authorities on 16 December 2002, consolidates our position as Germany's largest radio player in terms of revenues. The AVE holding comprises minority stakes in German radio stations, which are geographically complementary to our existing portfolio. The acquisition extends our coverage of the German radio market to all states except Hessen and Schleswig-Holstein. The AVE stations, for which clearance by competition authorities was achieved before 31 December 2002, are Hit-Radio Antenne Niedersachsen, Hit-Radio Antenne Sachsen, Hit-Radio Brocken, Antenne Thürigen, Antenne Mecklenburg-Vorpommern, Radio Ton, radio NRW and BB Radio. We already hold stakes in radio NRW and in Radio 21.

We made some further changes to our German radio portfolio in 2002. In August RTL Deutschland launched Hit Radio RTL where it holds a stake of 25.2% – the new station covers the German cities Karlsruhe, Pforzheim and Baden-Baden and offers a rock-oriented AC format. Much of the new station's programming is pre-produced in the Berlin headquarters.

In addition, we disposed of our holdings in Berliner Rundfunk and the syndication business FM Radio Network.

104.6 RTL in Berlin and RTL Radio – Die besten Hits mit Gefühl are the only stations to be fully consolidated in RTL Group accounts.

Berlin

Competition was as tough as ever in Berlin, where 27 FM stations compete for listeners. Several of the leading stations lost audience share in 2002, including 104.6 RTL which could not maintain the exceptionally high levels of listening achieved the previous year. Its share of 12.3% of total listening put it in second place, although it was able to retain leadership in the main target groups.

The high point of the year was the Stars for Free concert, featuring 15 top chart performers. This is the sixth time 104.6 RTL has organised this popular event – all 17,000 tickets were distributed to listeners free of charge.

North Rhine-Westphalia

For the fifth consecutive year, radio NRW could claim to be the most successful private radio station in Germany. It has a 28.8% share of total radio listening in the densely populated state of North Rhine-Westphalia, and in 2002 it extended its lead over its nearest competitor. A relaunch at the beginning of the year has helped to boost listening by the younger target groups, and a greater emphasis on news and current affairs has enhanced the station's reputation.

As well as providing programming for 44 local stations in the region, radio NRW also supplies stations with local events.

Bavaria

Antenne Bayern, which now markets itself as Die Gute Launemacher (The Good Mood Maker), maintained its strong position in the Bavarian radio advertising market with a share of 47.3%. It is the market leader in its relevant target group and is well ahead of its direct public competitor. Its big annual event, now called the Good Mood Maker Tour, was enjoyed by over 50,000 Bavarians and several successful summer parties were held.

Rock Antenne, Antenne Bayern's second radio service, was awarded a new FM frequency in Bavaria, and in the second half of the year an extensive programme relaunch was completed.

Hamburg

Radio Hamburg was once again the market leader in Germany's second most competitive radio market. In spite of some loss in audience share in 2002, the station has more than one million listeners each day and is well ahead of its nearest competitor.

The biggest event in Radio Hamburg's history was the Easter Hit Marathon which culminated in a free concert for an audience of 35,000.

RTL Radio – Die besten Hits mit Gefühl

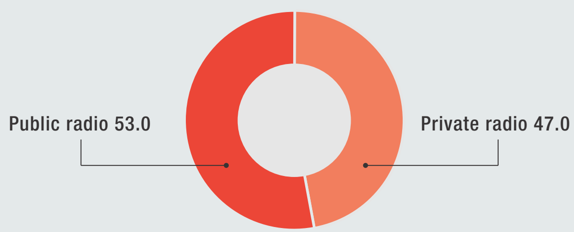
The cable and satellite station RTL – Die Grössten Oldies relaunched in December with a younger image and a new name. RTL Radio– Die besten Hits mit Gefühl ('the best hits with emotions') now plays 90s music and top chart singles as well as hits from the 60s, 70s and 80s. It has an average audience of 2.1 million listeners per day, rising to 7.0 million over two weeks.

Radio 21

Launched in 2000, Radio 21 quickly established itself as Germany's most successful rock music station. In 2002 it attracted an average daily audience of 348,000 adult listeners. It staged a series of concerts for various target groups such as Rock on Wheels, a one-day open-air event for several thousand bikers and rock fans. It also held concerts for international stars including Bob Dylan, Deep Purple, Supertramp and Van Morrison.

Public/Private broadcasters market audience share 2002 (%)

Source: MA 2002



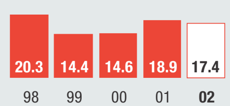
Audience share 1998/2002 (%)

14+
Source: MA 2002

104.6 RTL

Advertising share 1998/2002 (%)

Source: Nielsen S+P



104.6 RTL

Radio Benelux

- Revenue growth in Belgium and Luxembourg.
- Technical coverage issues in the Netherlands nearing resolution.

The Benelux radio advertising markets experienced mixed fortunes in 2002. In Luxembourg, the overall advertising market experienced a slowdown but radio performed well, increasing by 12.9% (gross, source: Publinvest). Radio advertising also performed well in the Netherlands, where it increased by 11.8% (gross, source: BBC), but in Belgium it fell by 3.2% (gross, source: MDB) We improved our position in Belgium by acquiring an additional stake in Radio Contact, taking our shareholding from 35% to 49.9%.

Luxembourg

RTL Lëtzebuerg is the national reference for news and entertainment with a large audience of loyal listeners. It maintained its excellent ratings in 2002. Although its share of 12+ listeners fell marginally to 71%, daily hours of listening increased to an average of 2.5 hours per listener. It also performed well financially, exceeding the record income achieved in 2001 by nearly 5%.

Belgium

In 2002 a new audience measurement system was introduced in Belgium. Bel RTL emerged as the clear leader in the French-speaking radio market with a share of 20.6% of 12+ listeners. Radio Contact, RTL Group's second Belgium holding, was in second place with a share of 14.8%.
Bel RTL made two major programme changes during the year, introducing a new pairing of presenters during the important morning drivetime slot and a new evening show.
Radio Contact, the number one music station in Belgium, also performed well financially in 2002. It serves both the north and the south of the country. The southern service was enhanced during the year with more regional programming. Radio Contact also made changes to the northern service, reducing the music content by around 10%. Contact 2, its

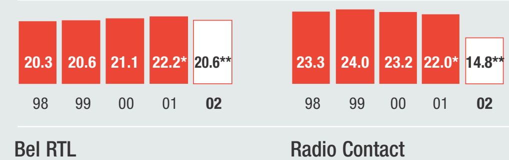
second service, was launched in the south in 1999 and in the north in 2001 – it has established a niche positon for itself with a format of adult contemporary music.
Bel RTL and Radio Contact have a combined share of 35.4% of radio listening in Belgium. The two stations account for more than half of the radio advertising market (57.9%), and both performed well financially in spite of the revenue downturn.

The Netherlands

Yorin FM faced increased competition in 2002 with the arrival of new radio stations targeting 20 to 34 year old listeners. Yorin FM's ability to compete was hampered by its low technical coverage – it reaches just 35% of Dutch homes. Its share of audiences and advertising revenue both fell during the year, but it maintained its position as the best or second best performing station in those areas of the country where it has good technical coverage. Moreover, it developed several successful marketing initiatives with advertisers, including a highly successful joint promotion with the telecoms company KPN.
Yorin FM's situation should improve in 2003, as in June the government will announce its much-delayed redistribution of the commercial radio frequencies. Although the station faces competition from other radio operators, its management team is confident of winning a greatly improved frequency package that will deliver optimal technical coverage.

Audience share 1998/2002 (%)
South of Belgium

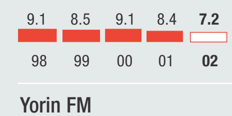
12+
Source: Cim Radio



*Only wave 24 (spring 2001)
**Only Cim Radio 1 (spring 2002)

Audience share 1998/2002 (%)
The Netherlands

20-34
Source: Intomart



Our television, radio and content brands have a powerful presence on the internet, where our websites are amongst the most popular in Europe

new media

- Further growth in traffic at our websites.
- Increased income from online advertising and teletext.
- Cost reductions made.

RTL Group is one of the European leaders in online entertainment. In such countries as Germany, France, Belgium, the Netherlands, Luxembourg and Hungary our websites regularly appear at or near the top of the ratings charts for general entertainment sites.

In each country our new media interests are managed as subsidiaries of the broadcasting and content businesses that they support. In several countries – including France, the Netherlands and our largest market Germany – we have merged our online businesses together to ensure that they benefit from coordinated management and economies of scale. During 2002 we implemented a restructuring programming, notably at RTL NEWMEDIA in Germany, to reduce our cost base and free resources for renewed investment in online content and premium services such as web-SMS.

Advertising remains the main source of new media revenue, although pay-content and e-commerce are starting to generate significant income streams. New media advertising is sold by IP-WEB.NET, which is now present in eight European countries. The network was strengthened in February 2002 with the addition of the Antena 3 online sales house in Spain.

RTL NEWMEDIA

A subsidiary of RTL Television, RTL NEWMEDIA manages some of Germany's favourite websites. In spite of increased competition in 2002, its sites achieved impressive increases in traffic. The RTL WORLD network generated 3.9 billion page impressions in 2002 (source: RTL NEWMEDIA estimates), an increase of 37.1%. The general interest website www.RTL.de recorded a similar increase, taking its total page impressions for the year to 2.9 billion. Both achieved monthly records in July, RTL WORLD recording 409.6 million and www.RTL.de passing the 300 million mark. Super RTL's www.toggo.de website for children almost trebled its page impressions for the year to 301.6 million. The ski jumping and weather sites, www.skispringen.de and www.wetter.de, also recorded large increases in traffic.

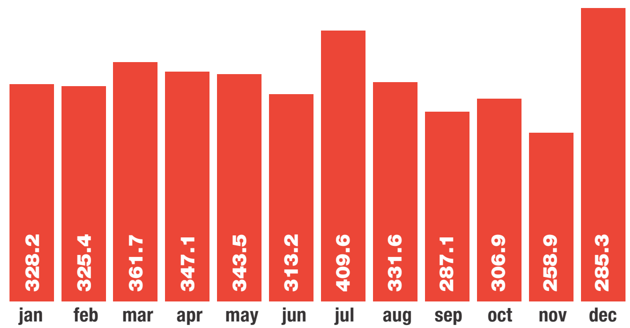
RTL NEWMEDIA has had great success with online variants of successful quiz shows and in July 2002 it launched *Einer Gegen Hundert (One Against Hundred)*. Although the RTL Television show was not on air at the time, viewers continued to play on the internet and the site attracted 68.9 million page impressions.

RTL WORLD teletext recorded an all-time high of 6.3 million viewers for its analogue service in the last week of December 2002 (source: GFK). This put it ahead of SAT 1, Pro 7 and ARD and was the highest-ever weekly average recorded by GFK for teletext. On average, four million viewers used RTL WORLD text every day last year – an increase of 43% in just two years. The interactive SMS-chat-to-teletext service has been the main driver of growth. The Turkish language service offered by Vox has proved popular and in November RTL NEWMEDIA set up four Turkish chat rooms on RTL Television.

An upturn in advertising in the second half of the year helped RTL NEWMEDIA generate positive results for the first time since it was founded in March 2000. Revenue growth in teletext, added value services and merchandising also contributed to the improved performance.

RTL NEW MEDIA - Page impressions per month

in million - year 2002



Luxembourg
IP WEB.Net: 100%
RTL New Media Luxembourg: 100%

Germany
RTL NEWMEDIA: 100%

France
RTL NET: 100%
M6 Web: 47.5%

The Netherlands
RTL iMedia: 100%

Supporting our communities

Supporting good causes

Every year our broadcasting businesses use their promotional power to raise substantial sums for charitable causes.

Several television channels mount on-air fundraising marathons. In 2002, RTL TVi and Bel RTL in Belgium and RTL Télé and Radio Lëtzebuerg jointly raised €5.8 million for charities connected with leukemia research.

RTL Television opened up its airwaves on behalf of projects to help children around the world. This was the channel's seventh Spendenmarathon and it raised a new record total of over €5.7 million.

Also in Germany, Vox raised funds to finance the annual publication *100 Photos for Press Freedom* to bring human rights issues to public attention. The Cologne-based technical services company CBC sponsored a new award, the Förderpreis Zukunftssicherung, for companies with innovative employment practices. UFA contributed to a number of employment and education initiatives, including the STEP 21 multimedia pack for schools in Brandenburg which encourages young people to discuss ethical and democratic values. Grundy UFA joined the campaign by launching a competition for 13 to 18 year olds to write a screenplay about tolerance and civil responsibilities.

In the Netherlands, Hungary and elsewhere, our television and radio businesses transmitted charitable commercial announcements free of charge or with large discounts. Hungary's RTL Klub also mounted a series of events and initiatives in support of good causes. For example, it raised €82 000 for a children's health centre.

M6 in France is another television channel that takes its community responsibilities seriously – in 2002 it supported no fewer than 30 charities. And RTL Télé Lëtzebuerg in Luxembourg raised over $1.6 million for 12 charities, including €273,000 for flood relief in the Czech Republic. Our radio stations do much good work for charitable causes. In France, RTL Radio mounted its Pièces Jaunes and Disques d'Or campaigns once again, raising €149,000 for children's charities. In Germany, radio NRW's annual Lichtblicke event collected more than €500,000, and Radio Hamburg's charity marathon also raised substantial sums. The German rock station Radio 21 joined with children's charities to organise a series of successful Rock on Family events in regional city centres.

Working with our employees

RTL Group management strongly supports the European Works Council (EWC) and values the excellent work it does on behalf of staff.

Conditions of employment and statutory rights vary widely across Europe and the EWC can intervene in situations where staff have little protection or do not have a national Works Council that they can turn to for support. The EWC can bring cross border employment issues to the attention of Group management and seek a satisfactory resolution.

EWC contains staff representatives who are elected on a national basis. Under its President, Kai Brettmann of RTL Nord in Germany, it has built up clear lines of communication and productive relationships with RTL Group's decision makers. Two formal meetings are held each year when the EWC meets with the Management Board and extraordinary meetings can be convened whenever rapid consultation is desirable.

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 2002, the Board of RTL Group had 12 members, one executive director, and 11 non-executive directors. Three of the non-executive directors, the Chairman, Juan Abellò, 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 non-executive directors 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 a maximum of 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 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.

2002 Group management

Board of Directors

Executive Director

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 CEO of RTL Group. On 1st March 2003, he became CEO of Belgacom, the Belgian telecoms group.

Gerhard Zeiler **

Chief Executive Officer

Gerhard Zeiler started his career as a journalist to become press-spokesman for the Austrian Minister for Education and Art. Thereafter, he became General Secretary of the Austrian public broadcaster ORF from 1986 to 1990. After being CEO of Tele5 in 1990, of RTL2 in 1992, and of ORF in 1994, he was elected CEO of RTL Television on 1st November 1998. Since March 2000, as CEO of UFA Film & Fernseh, he was responsible for all German TV activities of RTL Group. He was elected CEO of RTL Group on March 4, 2003.

Non-executive Directors

Juan Abelló (1) (■)

Chairman

Chairman of Torreal SA, Alcaliber SA, Inversiones Ibersuizas SA, member of the Board of Televisa Group.

Gérald Frère

Managing Director of Groupe Bruxelles Lambert

Jocelyn Lefebvre (1)

Managing Director Europe of Power Corporation

Siegfried Luther (1) (2) (3)

Deputy Chairman of the Bertelsmann AG Executive Board, Chief Financial Officer

Onno Ruding (2) (■)
Vice Chairman of Citibank Brussels.

Gilles Samyn (1) (3)
Managing Director of Compagnie Nationale à Portefeuille

Rolf Schmidt-Holtz
Member of the Bertelsmann AG Executive Board and Chief Creative Officer, Chairman and Chief Executive Officer of the Bertelsmann Music Group (appointed on 1 March 2002)

Erich Schumann
Member of the Board of WAZ Mediagroup

Martin Taylor (2) (3) (■)
Chairman of W.H. Smith Group plc, Internal advisor of Goldman Sachs International

Günter Thielen (1) (3)
Chairman of the Bertelsman AG Executive Board, Chief Executive Officer (appointed on 3 September 2002)

Ewald Walgenbach****
Member of the Bertelsmann AG Executive Board
Chief Executive Officer of Direct Group Bertelsmann

Executive Committee (•)

Members of the Board

Didier Bellens *
Chief Executive Officer

Bruno Chauvat ***
Chief Strategy Officer
Bruno Chauvat started his career as a financial analyst in 1983 covering the media industry. He held several positions in the banking industry and spent four years working for smaller 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, In February 2002, he was appointed Chief Strategy Officer.

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 (where he was Chief Financial Officer), he joined RTL Group in 2000.

Deputy members of the Executive Committee

Roy Addison
Executive Vice President Corporate Communications, RTL Group

Vincent de Dorlodot
General Counsel, RTL Group

Romain Mannelli
Executive Vice President Corporate Human Resources, RTL Group

André Stiens
Executive Vice President Corporate Audit, RTL Group

Operations Management Committee

Didier Bellens *
Chief Executive Officer, RTL Group

Bruno Chauvat ***
Chief Strategy Officer, RTL Group

Thomas Rabe
Chief Financial Officer, RTL Group

Tony Cohen
Chief Executive Officer, FremantleMedia

Jean-Charles De Keyser
Executive Vice President Benelux, Eastern Europe & Radio, RTL Group

Robin Leproux
Chief Executive Officer, RTL Radio (France)

Hans Mahr
Executive co-ordinator for Group Synergies, RTL Group

Nick Milligan
Acting Chief Executive, Five

Nicolas de Tavernost
Président du Directoire, M6

Gerhard Zeiler
Geschäftsführer, RTL Television
*Chief Executive officer, RTL Group***

* resigned with effect from 28 February 2003
** appointed on 4 March 2003
*** resigned on 17 March 2003
**** resigned as COO of RTL Group on 6 Febuary 2002 and appointed as from that date as non-executive director.

(1) Members of the Permanent Committee.
(2) Members of the Audit Committee.
(3) Members of the Nomination and Compensation Committee.

(•) new structure set up on 17 March 2003:
G. Zeiler, CEO RTL Group
T. Rabe, CFO RTL Group
T. Hesse, CSO RTL Group
T. Cohen, CEO FremantleMedia

(■) Independent Directors

Directors' report, auditors' report and consolidated financial statements

section II

Directors' report, Auditors' report and Consolidated financial statements

for the year ended 31 December 2002

INDEX

Directors' report

The Directors are pleased to present their report to the shareholders, with details on the businesses and the development of the Group, together with the financial statements for the year ended 31 December 2002 on pages 58-120.

Executive Directors
Didier Bellens (Chief Executive Officer), *resigned 28 February 2003*
Dr. Ewald Walgenbach (Chief Operating Officer), *resigned 6 February 2002*
Gerhard Zeiler (Chief Executive Officer), *appointed 4 March 2003*

Non-Executive Directors
Juan Abéllo Galló (Chairman)*
Gérald Frère
Jocelyn Lefebvre
Dr. Siegfried Luther
John Makinson, *resigned 31 January 2002*
Dr. Thomas Middelhoff, *resigned 5 August 2002*
Dr. Onno Ruding*
Gilles Samyn
Ms. Marjorie Scardino, *resigned 31 January 2002*
Rolf Schmidt-Holtz, *appointed 1 March 2002*
Erich Schuman
Martin Taylor*
Dr. Günter Thielen, *appointed 3 September 2002*
Dr. Ewald Walgenbach, *appointed 6 February 2002*

Auditors
PricewaterhouseCoopers, Luxembourg
KPMG Audit, Luxembourg

**Independent Directors*

Financial Highlights

In EUR million	**Year to December 2002**	Year to December 2001	Per cent Change
Revenue	**4,362**	4,054	7.6%
Reported EBITA	**424**	276	53.6%
Adjusted EBITA	**477**	361	32.1%
Amortisation and impairment of goodwill	**(298)**	(2,840)	
Profit / (loss) before taxes	**38**	(2,424)	
Loss from ordinary activities	**(47)**	(2,491)	
Net loss for the year	**(56)**	(2,499)	
Adjusted operating cash flow (before income tax)	**594**	392	51.5%
EBITA cash conversion (%)	**140**	142	
Net financial debt	**(755)**	(569)	32.7%
Earning per share (basic) in EUR	**(0.37)**	(16.27)	97.7%
Adjusted earnings per share (basic) in EUR[1]	**1.61**	0.90	78.9%
Proposed / paid dividend per share in EUR	**0.70**	0.50	40.0%

[1] 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 taxes

Highlights

The business and financial highlights for 2002 were as follows:

- Continued difficult market conditions: German television advertising market down by approximately 8 per cent on a net basis.
- Strong operating performance: Maintained or improved audience and advertising market shares.
- Revenue up 7.6 per cent to EUR 4,362 million. Underlying revenue up 1.6 per cent.
- Increasing non-advertising related revenue streams.
- Group reported EBITA up more than 50 per cent to EUR 424 million, with all business segments improving EBITA. Group adjusted EBITA up by more than 32 per cent to EUR 477 million.
- Underlying cost base down 3.1 per cent.
- EBITA cash conversion 140 per cent. Net debt up slightly, due to acquisitions and tax pre-payments.
- Proposed dividend to increase by 40 per cent to EUR 0.70 per share.

Revenue

Market conditions remained difficult for most of our broadcasters, with a mixed picture across Europe. Whilst the UK and Dutch television advertising markets were up by 4.1 per cent and 5 per cent respectively, the French market was flat and Germany was down by approximately 8 per cent on a net basis. Forward visibility was, and continues to be, low and the booking behaviour of customers has become more volatile. Our production businesses, FremantleMedia and Sportfive, were affected by the cost containment measures taken by broadcasters, resulting in margin pressure.

Despite one-off events - our competitors broadcast the Winter Olympics and the Soccer World Cup – most of our stations maintained or improved their market positions. Notable successes were in Germany where we extended our leadership over Pro7Sat1 in the key 14-49 age group and in the UK, where Five increased its audience by 8.6 per cent to 6.5 per cent and its advertising market share to 7.5 per cent.

Revenue

In EUR million	**Year to December 2002**	Year to December 2001	Per cent Change
Television	**2,901**	2,866	1.2%
Content	**1,386**	1,148	20.7%
Radio	**230**	206[2]	11.7%
New Media	**119**	91	30.8%
Other	**75**	71[2]	5.6%
Eliminations	**(349)**	(328)	6.4%
Total	**4,362**	**4,054**	**7.6%**

(2) Revenue generated by Luxembourg activities (EUR 7 million) re-classified from Radio to Others

Revenue increased by 7.6 per cent to EUR 4,362 million (2001: EUR 4,054 million). On a like-for-like basis (excluding portfolio changes), it was up 1.6 per cent. The most important portfolio changes were the first time proportionate consolidation of Sportfive and of TPS through M6. Underlying television revenue grew by 2.1 per cent, radio by 4.9 per cent and content was down by 0.5 per cent. Despite increasing diversification revenue, we remained heavily dependent on advertising revenue, accounting for 62 per cent of total revenue (2001: 64 per cent) either directly through our television and radio business or indirectly through the content and production division.

EBITA

Reported EBITA increased by more than 50 per cent to EUR 424 million. Stripping out the restructuring costs and start-up losses, EBITA was up by 32 per cent to EUR 477 million. The profitability improvement was largely due to the improved performance of the businesses restructured in 2001, the turnaround of Five, the effects of cost containment measures, and the drastic reduction of New Media losses.

The EBITA of FremantleMedia, our production business, comprising the former Pearson TV content assets, UFA Berlin, and a number of other small production companies was up EUR 58 million year-on-year, Five reached almost break-even at EBITA level, and the EBITA of the French Radio business increased by EUR 16 million. The New Media losses were down EUR 42 million. Combined with the positive EBITA effects of these activities on the core television and radio stations, the New Media segment was EBITA positive.

We continued the cost containment measures, launched in 2001, to mitigate the impact of the difficult market conditions. Significant progress was made to reduce programme costs and general expenses, although the full effects of these measures are not immediate. Group operating expenses increased to EUR 4,055 million from EUR 3,878 million, up 4.6 per cent. Stripping out the effects of portfolio changes, restructuring costs and start-up businesses, the underlying operating expenses decreased by 3.1 per cent.

We made a few targeted acquisitions in 2002, most notably of a significant participation in the leading German news channel n-tv, a number of German Radio stations and the production company Phoenix. We also continued the review of the existing portfolio, resulting in the disposal of several small non-core assets.

In February 2002, Bertelsmann became our single most important shareholder, following the purchase of Pearson plc's participation in RTL Group at the end of January 2002. In addition, as announced in our interim results in September, we de-listed from the London stock exchange. This de-listing did not affect the existing listings in Brussels and Luxembourg.

EBITA

In EUR million	Television	Content	Radio	New Media	Other	Total
Reported 2002	331	89	46	(13)	(29)	424
Restructuring costs	30	6	-	2	-	38
Start up losses	15	-	-	-	-	15
Adjusted 2002	**376**	**95**	**46**	**(11)**	**(29)**	**477**
Adjusted 2001	**327**	**80**	**34**	**(45)**	**(35)**	**361**
EBITA margin (%)						
Reported 2002	11.4%	6.4%	20.0%	-	-	9.7%
Reported 2001	10.4%	4.2%	12.6%	-	-	6.8%
Adjusted 2002	13.0%	6.9%	20.0%	-	-	10.9%
Adjusted 2001	11.4%	7.0%	16.5%	-	-	8.9%

Review by segment

Television

Despite the weak advertising markets, especially in our core market Germany, revenue grew by 1.2 per cent. This reflects the strong operational performance of our channels, the positive portfolio effects and increased diversification revenue. The most important portfolio changes relate to our increased holding in M6 and the proportionate consolidation of TPS (through M6).

Revenue

In EUR million

	Year to December 2002	Year to December 2001	Per cent Change	**Per cent of total 2002**
Germany	**1,700**	**1,713**	**-0.8%**	**58.6%**
■ RTL Television / VOX	1,542	1,592	-3.1%	53.1%
■ RTL Shop	72	32	125.0%	2.5%
■ Others	86	89	-3.4%	3.0%
France	**444**	**433**	**2.5%**	**15.3%**
■ M6[3]	444	378	17.5%	15.3%
■ VCF	-	55	n.a.	-
Holland and Belgium	**420**	**405**	**3.7%**	**14.5%**
■ HMG	318	303	5.0%	11.0%
■ RTL TVi	102	102	-	3.5%
United Kingdom	**310**	**279**	**11.1%**	**10.7%**
■ Five	259	213	21.6%	8.9%
■ London Playout Centre	51	66	-22.7%	1.8%
Others	**27**	**36**	**-25.0%**	**0.9%**
Total Television revenue	**2,901**	**2,866**	**1.2%**	**100%**
Underlying revenue	**2,859**	**2,801**	**2.1%**	

EBITA

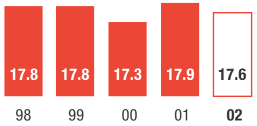
In EUR million

	Year to December 2002	Year to December 2001	Per cent Change	**Per cent of total 2002**
Germany	**244**	**232**	**5.2%**	**73.7%**
■ RTL Television/VOX	223	230	-3.0%	67.3%
■ RTL Shop	(15)	(22)	31.8%	-4.5%
■ Others	36	24	50.0%	10.9%
France	**82**	**82**	**-**	**24.8%**
■ M6[3]	80	78	2.6%	24.2%
■ RTL9	2	3	-33.3%	0.6%
■ VCF	-	1	n.a.	-
Holland and Belgium	**(7)**	**27**	**n.a.**	**-2.1%**
■ HMG	(17)	11	n.a.	-5.1%
■ RTL TVi	10	16	-37.5%	3.0%
United Kingdom	**5**	**(39)**	**n.a.**	**1.5%**
■ Five	(2)	(49)	95.9%	-0.6%
■ London Playout Centre	7	10	-30.0%	2.1%
Others	**7**	**(5)**	**n.a.**	**2.1%**
Reported Television EBITA	**331**	**297**	**11.4%**	**100%**
Underlying EBITA	**336**	**305**	**10.2%**	
Adjusted Television EBITA	**376**	**327**	**15.0%**	

[3] During the year to December 2002, RTL Group increased its shareholding in M6. Accordingly, part of the year-on-year growth is attributable to a change in scope and the proportionate consolidation of TPS (by M6)

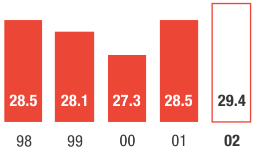
RTL Television, Audience Share 1998 – 2002

Target: 14-49
Source: GfK



RTL Television, Advertising Share 1998 – 2002

Source: Nielsen S+P



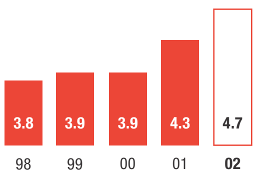
RTL Television, the RTL flagship channel in Germany, was market leader for the tenth consecutive year in the important 14-49 age category with an audience share of 17.6 per cent and was the leader in terms of overall audience share at 14.6 per cent. RTL Television again dominated the top 100 list of the most widely viewed broadcasts of the year, with no fewer than 59 entries. A total of over 50 programmes had an audience of over 10 million in 2002.

RTL Television attracted mass audiences, reflected in the ratings success of strong formats like *"Who Wants to be a Millionaire"* and *"Good Times, Bad Times"*, which reached its 2,500th episode during 2002, with a peak of 38.2 per cent (amongst 14-29 years old). Other highlights include sporting events such as *"Formula 1"* which peaked at 12.6 million viewers in June and football with the *"Champions League"* final being watched by 43.5 per cent of the target market. The television programme that drew the largest audience of the year, some 13.4 million viewers with an overall audience share of 54.2 per cent, was the *"The four hills ski jumping"* event at the beginning of 2002.

Continued investments in film rights were made with a significant supply deal entered into with Warner's, which include films such as *"Ocean's Eleven", "The Matrix", "Harry Potter"* and *"Lord of the Rings"*. Major feature films shown in 2002 include *"The Mummy", "Runaway Bride" and "There's something about Mary"*.

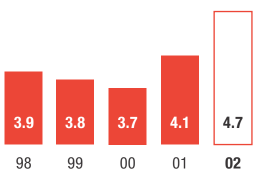
VOX, Audience Share 1998 – 2002

Target: 14-49
Source: GfK



VOX, Advertising Share 1998 – 2002

Source: Nielsen S+P

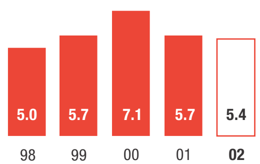


VOX was the only mainstream channel to increase advertising revenue in 2002 reflecting successful programming such as *"Dark Angel"*, which had a audience share of up to 12.7 per cent and *"CSI: Crime Scene Investigation"* with an audience share of up to 8.5 per cent. The continued success of long-running favourites such as *"Ally McBeal"* with an audience share of up to 9.3 per cent, shows that VOX has become the natural home for top quality American series. This strength in programming, combined with a much improved film offering which included *"Mercury Rising", "Six Days, Seven Nights"* and *"Volcano"* and the attractive audience group and profiles has enabled VOX to drive up both advertising market share and audience share by 0.6 and 0.4 points respectively. For the first time since its launch, VOX reached the 5 per cent audience share mark in September, which was then subsequently repeated in the month of November.

With a gross advertising market falling 4.2 per cent year-on-year, RTL Television / VOX net revenue decreased by 3.1 per cent to EUR 1,542 million (2001: EUR 1,592 million). A strong fourth quarter, combined with the effects of cost containment, helped off-set advertising revenue shortfalls. As a result, EBITA remained at almost the same level as in 2001.

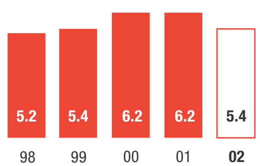
RTL II, Audience Share 1998 – 2002

Target: 14-49
Source: GfK



RTL II, Advertising Share 1998 – 2002

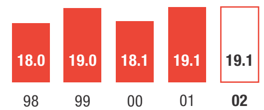
Source: Nielsen S+P



RTL II's most notable successes in 2002 included *"Stargate", "Andromeda", "Dragon Ball Z"* and *"Popstars"*. RTL II finished the year with a share of viewing among the 14-49 age category of 5.4 per cent, down slightly from 5.7 per cent in 2001, and a contribution to RTL Group EBITA of EUR 27 million (2001: EUR 13 million). The results were positively affected by deferred taxes amounting to EUR 9 million.

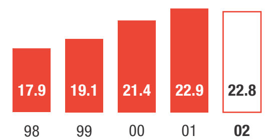
M6, Audience Share 1998 – 2002

Target: Housewives under 50
Source: Mediamétrie



M6, Advertising Share 1998 – 2002

Source: Secodip

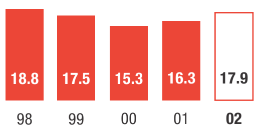


M6 in France maintained its position as the second most popular channel for the 15-34 age category with an audience share of 21.3 per cent. With a gross advertising market that rose 7.1 per cent year-on-year (source: SECODIP), M6 in France has consolidated its position as the second most popular channel through the success of formats like *"Loft Story"* and *"IQ Test"*. M6 has generated strong diversification revenue, primarily from L5 (*"Popstars"* winners) and the Jean-Paul Belmondo video and DVD sales. The channel held its share of advertising spend at 22.8 per cent (2001: 22.9 per cent).

RTL Group's share of M6's revenue was up 17.5 per cent, including the effects of the increased shareholding and the first time proportionate consolidation of TPS, together with the significant growth of the diversification business, to EUR 444 million (2001: EUR 378 million). RTL Group's share of M6 EBITA rose slightly to EUR 80 million (2001: EUR 78 million), reflecting the continued investment in programming and the TPS results.

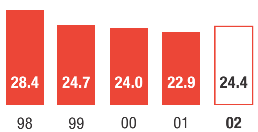
RTL 4, Audience Share 1998 – 2002

Target: Shoppers 20-49
Source: Intomart



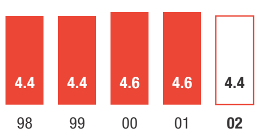
RTL 4, Advertising Share 1998 – 2002

Source: BBC



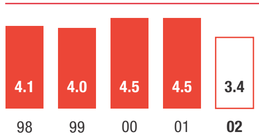
RTL 5, Audience Share 1998 – 2002

Target: Shoppers 20-49
Source: Intomart



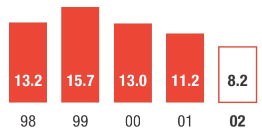
RTL 5, Advertising Share 1998 – 2002

Source: BBC



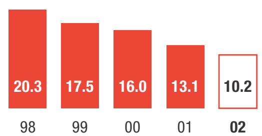
Yorin, Audience Share 1998 – 2002

Target: 20-34
Source: Intomart



Yorin, Advertising Share 1998 – 2002

Source: BBC

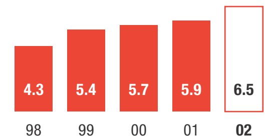


Holland Media Group (HMG) had a challenging year. RTL 4 grew both advertising and audience shares. Yorin slipped in the first months of the year, and then re-launched its schedule in September 2002. The first results of the re-launch were positive. As part of the restructuring, the business activities will be concentrated in one location starting in 2003. The headcount is being adjusted. This, together with a one-off charge for specific commitments and risks has resulted in restructuring costs of EUR 25 million.

HMG's revenue rose to EUR 318 million (2001: EUR 303 million), with an EBITA loss of EUR 17 million (2001: positive EUR 11 million), due to the restructuring costs.

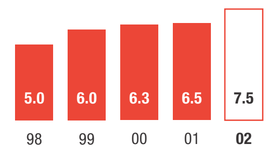
Five, Audience Share 1998 – 2002

Target: 4+
Source: BARB



Five, Advertising Share 1998 – 2002

Source: TV Industry

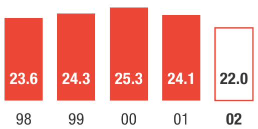


Channel 5 now re-branded **Five**, has been one of the success stories this year. In a market that has grown 4.1 per cent, largely driven off the back of the World Cup in June and July, Five grew its revenue base by 21.6 per cent. Only two terrestrial television channels grew audience share in 2002 – Five and the non-commercial channel BBC2. The success was further enhanced by a marked improvement in the key demographic profiles, ABC1 and 16-34 adults. Programming highlights included the continued success of *"Home and Away"* and highly successful movies such as *"Independence Day"* and *"Armageddon"*, which generated audience shares of 22 per cent and 21 per cent respectively. A number of successes have also been achieved within commissioned programming with particular success in the Crime, Factual and Documentary programming genres such as *"Michael Jackson's Face"*.

As a consequence, RTL Group's share of revenue increased to EUR 259 million (2001: EUR 213 million), up 21.6 per cent, and the EBITA loss fell to EUR 2 million (2001: loss EUR 49 million). Five continues to invest in programming. A significant deal with Columbia was signed during the first half of this year, which will provide access to free-to-air premieres for films such as *"Spiderman"* and *"Men In Black 2"*.

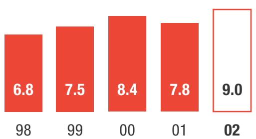
RTL TVi, Audience Share 1998 – 2002

Target: 18-44
Source: Audiométrie



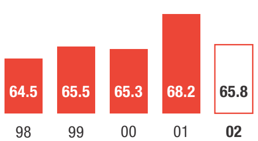
Club RTL, Audience Share 1998 – 2002

Target: 15-34
Source: Audiométrie



RTL TVi / Club RTL, Advertising market share (French-speaking Belgium) 1998 – 2002

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. In addition to *"UEFA Champions League"*, Club RTL benefited during the year through the continuing strong relationship with M6, broadcasting the extremely successful shows *"Loft Story 2"* and *"Popstars 2"*. RTL TVi in Belgium has been negatively impacted by the strength of the French channels, notably TF1, and the launch of a new competitor, AB3. Revenue was stable at EUR 102 million but EBITA was down to EUR 10 million, due mainly to restructuring costs of EUR 5 million.

RTL Klub in Hungary has continued to show impressive results and maintained its position as the leading commercial television channel in Hungary. On the programming front, the year was dominated by the launch of reality shows. Our main competitor, TV2, launched *"Big Brother"* whilst RTL Klub responded with an in-house show called *"Való Világ"*. With this format, RTL Klub enabled the viewers to change events inside the house thus creating a concept that clearly won over the audience – ratings of up to 64.6 per cent (target 18-49, Fridays and Saturdays) were achieved - comprehensively beating the competition. In addition, successful movie acquisition enabled the channel to broadcast 43 out of the top 50 movies, measured by audience share 18-49 (source: AGB Hungary). As a result, RTL Group's share of EBITA increased to EUR 7 million (2001: EUR 2 million).

Content

In EUR million	Year to December 2002	Year to December 2001	Per cent Change
Revenue	1,386	1,148	20.7%
of which: FremantleMedia[4]	819	751	9.1%
Sportfive	296	208	42.3%
Other content businesses	128	14	>100.0%
CLT-UFA International	143	175	-18.3%
Underlying revenue	1,142	1,148	-0.5%
EBITA			
Core Content business	113	92	22.8%
Of which: FremantleMedia[4]	92	60	53.3%
Sportfive	18	42	-57.1%
Other content businesses	3	(10)	n.a.
CLT-UFA International	(18)	(12)	-50.0%
Restructuring and non-recurring items	(6)	(32)	-81.3%
Reported EBITA	89	48	85.4%
Underlying EBITA	82	48	70.8%

[4] FremantleMedia includes, amongst others, the UFA Berlin and Phoenix production companies

Content revenue, which is mainly **FremantleMedia**, was up by 20.7 per cent to EUR 1,386 million in 2002 (2001: EUR 1,148 million) mainly due to scope changes, in particular the proportionate consolidation of Sportfive and the consolidation of Phoenix, Trebitsch and Universum Film.

Reported EBITA in the content segment rose to EUR 89 million (2001: EUR 48 million) largely as a result of the restructuring in 2001 of the US operations of FremantleMedia and the positive contributions of the newly consolidated companies. The strengthening of the EUR during the year has significantly impacted the reported EBITA results of FremantleMedia. The total negative foreign exchange effect amounts to approximately EUR 10 million.

FremantleMedia, is the largest content company in RTL Group and a major international company. FremantleMedia produces more than 260 programmes in over 40 countries a year, including the UK, the US, Germany, Australia, France, Italy, Spain, Portugal, Scandinavia, Latin America and Asia.

FremantleMedia produces a wide range of drama, entertainment and factual entertainment programming. It has particular expertise in developing and acquiring new formats from around the world for production in local territories. In the year 2002, FremantleMedia delivered over 8,000 hours of original programming to broadcasters worldwide.

FremantleMedia is organised into two divisions: Worldwide Production and FremantleMedia Enterprises. Developed through a series of acquisitions, the production operation comprises some of the most recognised and creative labels including Grundy, UFA, Thames, teamWorx, Talkback and Phoenix. FremantleMedia maintains a significant development network with teams in London, Berlin, Cologne, Rome, Paris, Los Angeles and Sydney.

FremantleMedia owns many programme brands primarily in entertainment and drama genres with long-running hits in many different time slots, appealing to a broad range of television audiences.
New game show formats that FremantleMedia has successfully launched during the past 18 months include *“Liar”* (premiered on BBC2, UK), *“Smart Test”* (premiered as *“La Gym Des Neurones”* on France 2) and *“Your Face Or Mine”* (premiered on E4, UK). FremantleMedia has also recently re-launched a classic format with a new spin – *“Whammy! - the all new Press Your Luck”* (Game Show Network, US).

Entertainment programming ranges from classic game shows such as *“The Price Is Right”*, currently made in 12 territories and *“Family Feud”*, currently made in 16 countries, to major new international hits including the format *“Idols”*. FremantleMedia’s search for a Pop Idol began life in the UK in late 2001. The show has captured the imagination of over 62 million viewers in 8 territories, with a further 3 territories currently in production.

In the UK, *“Idols”* created the largest ever national audition and smashed the telephone voting record, with 9 million votes cast in less than 2 hours. In the US it has been one of the largest ever hits for FOX and generated 110 million phone votes. In Germany, it became RTL Television’s highest rated show for 9 years in the target demographic. The show has also received many prestigious television awards, most notably the Rose d’Or (Golden Rose of Montreux).

Weekly dramas include another top-rating German production, *“Hinter Gittern”* (Behind Bars – RTL Television), the long-running German police dramas *“Balko”* (RTL Television) and *“SOKO 5113”* (ZDF) and Italy’s highly acclaimed *“La Squadra”* (RAI 3). FremantleMedia’s German production company, UFA is also a major producer of television movies, including teamWorx’s award-winning *“Der Tunnel”* (The Tunnel – SAT 1) and *“Ende der Saison”* (End of the Season - ARD).

In its first full year, **Sportfive** has had to cope with increasingly tough market conditions, in particular price pressure from broadcasters, but also the financial difficulties at some of its customers. This, together with seasonal effects, resulted in a significant drop in the EBITA contribution. Sportfive currently manages TV and marketing contracts for over 320 football clubs, more than 40 national football federations and several major European football leagues. In addition to football, Sportfive is also active in other sports such as rugby, basketball and handball.

Universum Film (formerly BMG Video), consolidated for the first time in 2002 and managed by RTL Television, became the leading independent video distributor in Germany. This was mainly due to the title *“Schuh des Manitu”*, which was the most successful rental and sell-through title in Germany. Universum Film also heavily promoted its back catalogue which led to the fact that it occupied 19 positions out of the top 50 in the German DVD charts in June 2002.

Following a review of strategy, RTL Group has decided to reduce the scope of its activities in the rights trading business of **CLT-UFA International**. Due to weak revenue forecasts, RTL Group has recorded an impairment against these rights during the course of the year of EUR 20 million.

Radio

Revenue
In EUR million

	Year to December 2002	Year to December 2001	Per cent Change	Per cent of total 2002
France	**196**	**179**	**9.5%**	**85.2%**
■ RTL	133	126[5]	5.6%	57.8%
■ RTL 2	30	27	11.1%	13.0%
■ Fun Radio	33	26	26.9%	14.4%
Germany	**13**	**15**	**-13.3%**	**5.7%**
Netherlands	**9**	**10**	**-10.0%**	**3.9%**
Belgium	**12**	**-**	**n.a.**	**5.2%**
United Kingdom	**-**	**2**	**n.a.**	**-**
Total Radio revenue	**230**	**206**	**11.7%**	**100%**
Underlying revenue	**214**	**204**	**4.9%**	

EBITA
In EUR million

	Year to December 2002	Year to December 2001	Per cent Change	Per cent of total
France	**37**	**21**	**76.2%**	**80.4%**
■ RTL	20	8	150.0%	43.4%
■ RTL 2	9	8	12.5%	19.6%
■ Fun Radio	8	5	60.0%	17.4%
Germany	**1**	**3**	**-66.7%**	**2.2%**
Netherlands	**3**	**4**	**-25.0%**	**6.5%**
Belgium	**5**	**-**	**n.a.**	**10.9%**
United Kingdom	**-**	**-2**	**n.a.**	**-**
Total Radio EBITA	**46**	**26**	**76.9%**	**100%**
Underlying EBITA	**42**	**28**	**50.0%**	

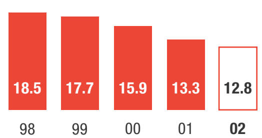
[5] *Adjusted for Luxembourg activities amounting to EUR 7 million*

Revenue in the radio segment rose by 11.7 per cent to EUR 230 million (2001: EUR 206 million) as a result of a strong advertising market in our core market, France, and portfolio changes, the most notable of which was Bel RTL in Belgium.

At the end of the year the audience research system in France was changed, from 15+ to 13+. This benefited musical stations, at the expense of the generalist stations such as RTL Radio. Accordingly, published audience shares have declined year on year, partly due to this technical change.

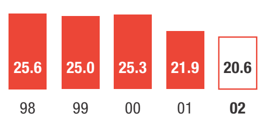
RTL, Audience Share 1998 – 2002

Target: 15+ (13+from end 2002)
Source: Mediamétrie



RTL, Advertising share 1998 – 2002

Source: SECODIP



RTL Radio in France remains the country's number one station, despite the changes in the audience measurement system from 15+ to 13+. The first half-year of 2002 was dominated by the French Presidential elections, during which RTL demonstrated its ability to produce high quality analysis and debates. Further programme grid changes were introduced in the autumn, notably the recruitment of Patrick Poivre d'Arvor to the station. 2002 also marked the 25th anniversary of *"Les Grosses Têtes"* – a remarkable achievement for one of our key entertainment shows.

RTL Radio won "Meilleure radio de l'année" reflecting the stations achievements in recovering image and audience share over the last 12 months. The audience measurement system changes have impacted top line audience share although, in another Mediamétrie study, in December 2002, it was clearly demonstrated that talk programmes were those most attentively listened to, and therefore the most attractive from an advertisers perspective.

Diversification activities were given a substantial boost in 2002 following the success of the 25th anniversary albums of *"Les Grosses Têtes"* and the double disque d'or of Fun radio's highly popular presenter, Arthur.

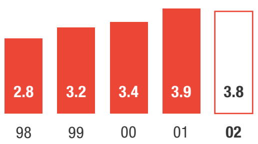
RTL Radio's share of the radio advertising market was 20.6 per cent (2001: 21.9 per cent), the contribution to the Group's EBITA EUR 20 million (2001: EUR 8 million).

RTL 2, Audience Share 1998 – 2002

Target: 15+ (13+from end 2002)
Source: Mediamétrie

RTL 2, Advertising share 1998 – 2002

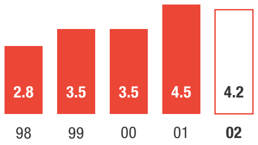
Source: SECODIP



For **RTL 2** 2002 was a year of change. A new programme grid was put in place, communication with the listener improved and the network strengthened. Alexandre Devoise joined the team presenting a convivial and dynamic programme from 6 till 9.00 in the morning. A new talk programme at the end of the day, with Christophe Dechavanne as host, was also part of the new strategy, developing a talk format in what has traditionally been predominantly a music station. This new positioning has started to pay off immediately with the highest result in RTL 2's history in its core 25-49 years old target audience being recorded in October.

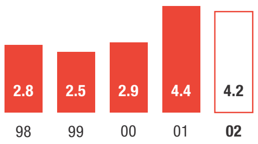
Fun Radio, Audience Share 1998 – 2002

Target: 15+ (13+from end 2002)
Source: Mediamétrie



Fun Radio, Advertising share 1998 – 2002

Source: SECODIP



For **FUN Radio**, 2002 has been a year of consolidation after its remarkable success last year. Emphasis has been placed on further development of the brand and positioning and on off air events. Fun Radio continues to deliver to its listeners a unique mix of music and talk whilst furthering its presence on the music scene.

RTL Group extended its presence in the Belgium radio market by increasing its stake in the **Contact Group** and also by consolidating, for the first time, its shareholding in **Bel RTL.**

New Media

RTL Group has achieved considerable success in 2002 by implementing cost control measures, reducing losses to EUR 13 million (2001: EUR 55 million). As part of the continuous review of the Internet strategy, most New Media operations were considerably restructured and integrated into the main television and radio interests. The most significant remaining New Media operation is RTL NEWMEDIA in Germany.

Thanks to teletext services, merchandising and improved online marketing revenue increased to EUR 119 million (2001: EUR 91 million). RTL World (rtl.de), operated by RTL NEWMEDIA, a subsidiary of RTL Television in Germany, increased the number of page impressions by 38 per cent in 2002, from 2.8 billion to 3.9 billion.

Portfolio changes

The main portfolio changes during 2002 relate to the first time proportionate consolidation of Sportfive and via M6, TPS as well as scope changes in both the radio and content segments. In 2002, RTL Group acquired the German production company Phoenix and increased its shareholding in Radio Contact to 49 per cent, with the result for the year being shown under results from associates.

In August 2002, RTL Group acquired from Holtzbrinck their shares in n-tv, the leading German news channel, and participations in several radio stations, for a consideration of EUR 170 million (excluding interest). N-tv is being accounted for under the equity method as of 31 December 2002.

Share of result of associates

EBITA *In EUR million*	**Year to December 2002**	Year to December 2001	Per cent Change
RTL II	**27**	13	>100.0%
Groupe Jean-Claude Darmon	**-**	5	n.a.
Antena 3	**(3)**	-	n.a.
RTL Klub	**7**	2	>100.0%
Others	**3**	(7)	n.a.
Total	**34**	**13**	**>100.0%**

The total contribution of the companies carried at equity increased to EUR 34 million (2001: EUR 13 million), which is mainly due to the higher EBITA of RTL II. The results of former Groupe Jean-Claude Darmon are now included in Sportfive, which is proportionately consolidated. Antena 3 has been equity accounted for the first time from 31 December 2001. Its 2002 results were heavily impacted by the costs for the Soccer World Cup rights, the acquisition of Onda Cero, a national radio station and the weak Spanish TV advertising market.

Interest expense (net) and financial results other than interest

Net interest expense rose to EUR 36 million (2001: EUR 33 million), principally because of the partial switch from short-term funding to a medium to long term debt position. Management conducted a detailed review of the value of the participation in the Spanish pay TV platform, Via Digital, resulting in an impairment of EUR 39 million. The impairment reflects the uncertainty over the terms of the merger and the market price of Sogecable shares following completion of the deal. In addition, in accordance with IAS 39, a charge of EUR 10 million has been booked relating to the fair value of certain put/call options within the Group.

Amortisation and impairment of goodwill

The amortisation and impairment of goodwill charge was EUR 298 million. This includes an impairment of EUR 70 million on transmission assets due to a decrease in market valuations and the re-alignment of this business.

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 sale of several small radio businesses as well as VCF and MDO in France.

Income tax expense

The tax expense increased to EUR 85 million (2001: EUR 67 million), with an effective tax rate of approximately 31 per cent (2001: 36 per cent).
The effective rate takes into account the non-deductibility of goodwill, local and tax-GAAP adjustments, prior-year adjustments 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 tax losses.

Net loss for the year

The net loss for the year was EUR 56 million (2001: net loss 2,499 million).

Earnings per share

Reported earnings per share, based upon 153,618,853 shares, was minus EUR 0.37 per share (2001: minus EUR 16.27 per share). The adjusted earnings per share, taking into account the impact of goodwill amortisation and impairment and gain or loss from sale of subsidiaries, joint ventures and other investments, net of income taxes also increased sharply to EUR 1.61 (2001: EUR 0.90).

Net debt / cash position

The consolidated net debt position at 31 December 2002 was EUR 755 million (2001: net debt of EUR 569 million). The increase in net debt reflects the acquisition of the Holtzbrinck radio and television assets and significant tax pre-payments in Germany. A substantial proportion of these pre-payments are expected to be reimbursed in 2003.

On May 30, 2001, RTL Group S.A. entered into a EUR 1,000 million euro-commercial paper programme under English law. As at December 31, 2002, the balance of the programme amounted to EUR 0.

On August 31, 2001, RTL Group S.A. entered into a EUR 900 million syndicated multi-currency revolving loan facility under English law. The EUR 300 million facility was cancelled in July 2002 and the EUR 600 million facility was cancelled in October 2002. Both of these facilities were replaced with facilities provided by Bertelsmann. The conditions of the Bertelsmann facilities have been benchmarked against market terms and conditions. They reduce costs for the ratings and maintenance of the debt financing programmes and have slightly better interest rates and margins.

On October 10, 2001, RTL Group S.A. entered into a EUR 400 million dematerialised treasury notes programme under Belgian law. This programme was subsequently increased to EUR 600 million in February 2002. As at December 31, 2002, the balance of the programme amounted to EUR 154 million.

On November 5, 2001, RTL Group S.A. entered into a EUR 2 000 million medium term note programme under English law. As at December 31, 2002, the balance of the facility and the interest expenses for the year on the facility amounted to EUR 0.

Net debt/cash position
In EUR million

	As at 31 December 2002	As at 31 December 2001
Gross balance sheet debt	**1,274**	1,136
Less: loans receivable[1]	**(201)**	(187)
Gross financial debt	**1,073**	949
Less: cash and cash equivalent	**(269)**	(302)
Less: marketable securities	**(49)**	(78)
(Net debt) / cash position	**(755)**	**(569)**

[1]The loans receivable relate to Five and others (via M6) financing

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, which was exercisable until April 2002, has not been exercised and has accordingly lapsed.

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 working days preceding the grant, or as otherwise decided by the Board of Directors. The options vest in equal tranches on the second, third and fourth anniversary of the date of grant and lapse after 10 years. The total number of options granted and accepted by the senior management at the end of 2002 was 391,017 (2001: 450,450).

Significant litigations

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 RTL Group shares previously owned by GBL. This 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 September 2002, the minority shareholders have filed a lawsuit against RTL Group, its Directors, Bertelsmann, BWTV and WAZ with regard to the free float. They are seeking a Court decision obliging RTL Group to increase the free float and prohibiting other defendants to make additional purchases of RTL Group shares. This litigation is presently pending in the Luxembourg Courts. The hearings are not yet scheduled, but a judgment, subject to appeal, can be expected in 2003.

The minority shareholders dispute also the RTL Group resolution to apply for the de-listing of its shares from the London Stock Exchange. On 31 December 2002, the Court of appeal of Luxembourg, sitting in summary proceedings, confirmed the Court decision pronounced in summary proceeding on 25 October 2002 that held the claim inadmissible. The de-listing of RTL Group's shares from the London Stock Exchange took effect from 31 December 2002. The litigation remains however pending before the full Court sitting on the merit of the case. The hearings are not yet scheduled, but a judgment, subject to appeal, can be expected in 2003.

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. USA Networks is part of the Vivendi Universal group since 2002. 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.

In December 1998, CLT-UFA acquired 1.1 per cent of the capital of RTL 2 Fernsehen GmbH & Co. KG and RTL 2 Fernsehen Geschäftsführung GmbH from Frankfurter Allgemeine Zeitung ("FAZ"). Heinrich Bauer Verlag disputed CLT-UFA's capacity to acquire the stake and subsequently filed a complaint against CLT-UFA and UFA Film und Fernseh GmbH to the competent courts in Hamburg. The complaint was based on alleged infringement of the shareholders' agreement. In its decision rendered on 6 September 2002, the Court of Appeal (Hanseatisches Oberlandesgericht) confirmed the decision of the District Courts of Hamburg and dismissed the complaint. The Court ruled that CLT-UFA and UFA Film und Fernseh GmbH have lawfully acquired the "FAZ" participation. The decision is final and cannot be appealed. RTL Group currently holds 35.9% of RTL 2.

RTL 2 Fernsehen GmbH & Co KG started in March 2003 an arbitration procedure against IP Deutschland GmbH, its sales house, seeking the payment of a guarantee EUR 10.2 million. The claim is based on an amendment to the existing sales agreement entered into on 18 February 2002. IP Deutschland GmbH has rejected this claim. A final arbitral award is expected to be rendered in Spring 2003.

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, have been involved in litigation with the Dutch Media Supervisory Authority ("DMSA"). The DMSA had been seeking jurisdiction over HMG in relation to RTL4 and RTL5 on the basis that HMG was to be considered as the broadcaster of RTL4 and RTL5 and had 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. CLT-UFA and HMG recourse against that decision was rejected by the Amsterdam District Court. CLT-UFA and HMG have appealed this decision. The matter is pending before the Dutch Council of State and a judgment is expected in 2003. 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/De Holland Media Groep SA is engaged in litigation before the Dutch courts on music rights, instigated by the Dutch collecting societies Buma and Stemra. The position of RTL/De Holland Media Groep SA is that the licence fees charged by Buma/Stemra are excessive and discriminatory, and that the collecting societies abuse their dominant position by charging such rates. The first judgement of the Court is not expected before the summer of 2003.

Exclusive radio rights for sport events were sold for the first time in France, as RMC Radio acquired the exclusive radio rights to the 2002 FIFA World Cup. Until then, all radio stations had been able to report live on all sports events, without exclusivity. In response to RMC's acquisition, other radio stations including Europe 1, Radio France and RTL created an association, "Sport Libre", of which they all became members, and undertook to acquire their sports rights in the future through Sport Libre exclusively. RMC claimed before the French Competition Council that the creation of Sport Libre and the undertaking by its members not to compete for the acquisition of rights breaches competition law. Such a finding by the Competition Council could expose the members of Sport Libre to fines even though Sport Libre has not had any activity. The Competition Council's decision is expected during 2003.

On 21 June 2002, RTL/De Holland Media Groep SA ("HMG") commenced an ad hoc international arbitration in the Netherlands against Endemol B.V., Endemol Nederland B.V., John de Mol and Joop van den Ende ("Endemol"), claiming, inter alia, damages under, and modifications of, the 10-year General Production Agreement of 1996. Endemol has submitted various counterclaims in the arbitration relating to, inter alia, performance, termination and damages. A final arbitral award is expected to be rendered during the course of 2003.

In 1999, CLT-UFA and Solomon LeFlore entered into a co-production agreement which was terminated by CLT-UFA in 2002 for failure of LeFlore to perform his obligations under the co-production agreement. In December 2002 LeFlore filed a complaint for damages against CLT-UFA in the Los Angeles Superior Court. LeFlore claims to have suffered damages due to wrongful termination of the co-production agreement in an amount of at least USD 1.5 million and claims to suffer further future damages.

RTL Group's Board of Directors is not aware of any other significant litigation.

Profit appropriation (RTL Group S.A.)

The statutory accounts of RTL Group S.A. show a profit for the financial year 2002 of EUR 294,435 (2001: loss of EUR 2,821,484,904). Taking into account the profit carried forward as at 31 December 2001 of EUR 1,504,015,600 the profit available for distribution including the share premium account and excluding the result for the year is EUR 7,286,201,177. The Board of Directors recommends to the General Meeting of Shareholders on 16 April 2003 the distribution of a gross final dividend per share of EUR 0.70 (2001: EUR 0.50 per share).

If the General Meeting of Shareholders accepts this proposal, RTL Group S.A. will distribute for the financial year 2002 a total dividend of EUR 108 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 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).

Shareholder Changes

In December 2001, 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 approximately 90 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

Based on forward bookings to date, advertising market conditions continue to be difficult in 2003, with low visibility throughout RTL Group's operations. RTL Group continues to develop non-advertising related revenue streams and can already say, after the first two months of 2003, that we are having some success. However, the economic and political environment adds to the uncertainty.

The RTL Group stations are well positioned to cope with these challenges due to the continued investment in programming that will drive audience share. The cost containment measures implemented since 2001 have already shown significant positive effects. RTL Group will continue to focus on cash generation, thereby increasing flexibility for the funding of internal and external growth.

14 March 2003
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 2002 and the related consolidated income and cash flow statements for the year then ended as set out on pages 72 to 75 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 consolidated 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 statements 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 58 to 70 give a true and fair view of the financial position of the Group as of 31 December 2002, and of the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

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

Luxembourg, 14 March 2003

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

Pascal Rakovsky

KPMG Audit s.c.
Réviseurs d'Entreprises

Philippe Meyer

Consolidated income statement for the year ended 31 December 2002

In EUR million	Notes	2002	2001
Revenue	4.1	**4,362**	4,054
Other operating income		**83**	87
Consumption of current programme rights		**(1,411)**	(1,453)
Depreciation, amortisation and impairment		**(339)**	(420)
Other operating expense	4.2	**(2,305)**	(2,005)
Amortisation and impairment of goodwill	5.1	**(298)**	(2,840)
Gain / (loss) from sale of subsidiaries, joint ventures and other investments	4.3	**(5)**	228
Profit / (loss) from operating activities		**87**	(2,349)
Share of results of associates	5.3	**34**	13
Earnings before interest and taxes ("EBIT")		**121**	(2,336)
EBITA*		**424**	276
Amortisation and impairment of goodwill		**(298)**	(2,840)
Gain / (loss) from sale of subsidiaries, joint ventures and other investments		**(5)**	228
Earnings before interest and taxes ("EBIT")		**121**	(2,336)
Net interest expense	4.4	**(36)**	(33)
Financial results other than interest	4.5	**(47)**	(55)
Profit / (loss) before taxes		**38**	(2,424)
Income tax expense	4.6	**(85)**	(67)
Profit / (loss) from ordinary activities		**(47)**	(2,491)
Minority interest		**(9)**	(8)
Net profit / (loss) for the year		**(56)**	(2,499)
Earnings per share (in EUR)			
- Basic	4.7	**(0.37)**	(16.27)
- Diluted	4.7	**(0.37)**	(16.27)

** EBITA represents earnings before interest and taxes excluding amortisation and impairment of goodwill and gain / (loss) 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 2002

In EUR million	Notes	2002	2001
Non current assets			
Programme and sport rights	5.1	**269**	365
Goodwill	5.1	**3,536**	3,527
Other intangible assets	5.1	**27**	25
Property, plant and equipment	5.2	**328**	351
Investments in associates	5.3	**150**	121
Loans and other financial assets	5.4	**250**	407
Deferred tax assets	5.5	**136**	112
		4,696	4,908
Current assets			
Programme rights	5.6	**1,134**	1,061
Other inventories		**14**	11
Income tax receivable		**492**	274
Accounts receivable	5.7	**1,234**	1,343
Marketable securities and other short-term investments	5.8	**49**	78
Cash and cash equivalents	5.9	**269**	302
		3,192	3,069
Current liabilities			
Loans and bank overdrafts	5.10	**719**	926
Income tax payable		**109**	100
Accounts payable	5.11	**1,695**	1,665
		2,523	2,691
Net current assets		**669**	378
Non current liabilities			
Loans	5.10	**555**	210
Accounts payable	5.11	**159**	205
Provisions	5.12	**217**	223
Deferred tax liabilities	5.5	**9**	45
		940	683
Net assets		**4,425**	4,603
Shareholders' equity		**4,402**	4,585
Minority interest		**23**	18
		4,425	4,603

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

Consolidated cash flow statement for the year ended 31 December 2002

In EUR million	Notes	**2002**	2001
Cash flows from operating activities			
Profit / (loss) before taxess		**38**	(2,424)
Adjustments for:			
■ Depreciation and amortisation		**482**	623
■ Value adjustments, impairment and provisions		**279**	2,738
■ Gain on disposal of assets		**8**	(219)
■ Financial results including share of results of associates		**42**	68
Use of provisions	5.12	**(46)**	(80)
Working capital changes		**(18)**	37
Income taxes paid		**(315)**	(172)
Net cash from operating activities		**470**	571
Cash flows from investing activities			
Acquisitions of:			
■ Programme and sport rights	5.1	**(124)**	(275)
■ Subsidiaries and joint ventures net of cash acquired	3.4	**(182)**	(45)
■ Other intangible and tangible assets	5.1, 5.2	**(67)**	(76)
■ Other investments and financial assets		**(172)**	(177)
		(545)	(573)
Proceeds from the sale of intangible and tangible assets		**7**	8
Disposal of subsidiaries and joint ventures net of cash disposed of		**12**	9
Proceeds from the sale of other investments and financial assets		**71**	192
Interest received		**31**	41
		121	250
Net cash used in investing activities		**(424)**	(323)

In EUR million	**2002**	2001
Cash flows from financing activities		
Interest paid	**(56)**	(82)
Proceeds from loans	**1,416**	1,305
Net disposal of treasury shares	**-**	(6)
Reimbursement of loans	**(1,174)**	(1,217)
Net change in bank overdraft	**(177)**	(24)
Dividends paid	**(87)**	(135)
Net cash used in financing activities	**(78)**	(159)
Net increase / (decrease) in cash and cash equivalents	**(32)**	89
Cash and cash equivalents at beginning of year	**302**	218
Effect of exchange rate fluctuation on cash held	**(1)**	(5)
Cash and cash equivalents at end of year	**269**	302

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 2002

In EUR million

	Notes	Share capital	Share premium	Non distributable reserves	Treasury shares	Other reserves	Retained earnings	Total shareholders' equity
Balance at 31 December 2000		**192**	**6,428**	**26**	**(39)**	**(2)**	**649**	**7,254**
Adjustment for the adoption of IAS 39		-	-	-	-	125	-	125
Restated balance at 1 January 2001		**192**	**6,428**	**26**	**(39)**	**123**	**649**	**7,379**
Gains and losses:								
■ Currency translation adjustment		-	-	-	-	(39)	-	(39)
■ Net change on cash flow hedging instruments		-	-	-	-	(35)	-	(35)
■ Net change on available-for-sale assets		-	-	-	-	(85)	-	(85)
■ Net loss for the year		-	-	-	-	-	(2,499)	(2,499)
Capital transactions with owners and distribution to owners:								
■ Net acquisition of treasury shares		-	-	-	(5)	-	-	(5)
■ Dividends		-	-	-	-	-	(131)	(131)
Balance at 31 December 2001		**192**	**6,428**	**26**	**(44)**	**(36)**	**(1,981)**	**4,585**
Gains and losses:								
■ Currency translation adjustment	5.14.4	-	-	-	-	(21)	-	(21)
■ Net change on cash flow hedging instruments	5.14.4	-	-	-	-	(42)	-	(42)
■ Net change on available-for-sale assets	5.14.4	-	-	-	-	13	-	13
■ Net loss for the year		-	-	-	-	-	(56)	(56)
Capital transactions with owners and distribution to owners:								
■ Dividends		-	-	-	-	-	(77)	(77)
Balance at 31 December 2002		**192**	**6,428**	**26**	**(44)**	**(86)**	**(2,114)**	**4,402**

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. (the "Company") is a company domiciled in Luxembourg. The consolidated financial statements of the Company for the year ended 31 December 2002 comprise the Company and its subsidiaries (together referred to as "the Group") 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 639 companies. The list of the principle Group undertakings as at 31 December 2002 is set out in note 9.

The consolidated financial statements of RTL Group S.A. are included in the consolidated accounts of Bertelsmann AG, the ultimate parent company of RTL Group S.A.. Bertelsmann AG is a company incorporated under the German law whose registered office is established Carl-Bertelsmann-Strasse 270, D-33311 Gütersloh, Germany. Consolidated financial statements for Bertelsmann AG may be obtained at their registered office.

The financial statements are authorised for issue by the Board of Directors on 14 March 2003.

1.1
Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting 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 from 2001 of IAS 39 "Financial Instruments : Recognition & Measurement"; 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 IFRS. 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 2002 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.

The accounting policies have been consistently applied by Group enterprises and, except for the change in accounting policies described below, are consistent with those used in the previous year.

Following the review of the accounting for production sale and leaseback assets and liabilities in light of SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease", the Group has assessed that the restricted cash and the lease obligation do not represent assets and liabilities of the Group. Accordingly, the Group has not recognised, as at 31 December 2002, the restricted cash and associated liabilities in the balance sheet amounting to EUR 136 million. Prior year figures have been re-stated for an amount of EUR 76 million reducing both "Loans and other financial assets" and "Loans" in the balance sheet and the related captions of the cash flow statement to reflect this treatment. Such restatement had no impact on the opening balance of retained earnings.

In 2001, the Group adopted IAS 39 "Financial Instruments: Recognition and Measurement". The financial effects of adopting this standard were reported in the previous year's consolidated financial statements.

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 existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

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 and cash flows in the relevant components of the consolidated financial statements, on a line-by-line basis.

1.3.3
Associates

Associates are defined as those investments, not classified as either subsidiaries or joint ventures, where the Group is able to exercise a significant influence. Such investments are recorded in the consolidated 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 and balances

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 qualified 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
Derivative financial instruments and 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 intangibles 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 investments

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

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 future cash flows.

Fixed term deposits with an original term of more than 90 days are presented under “Marketable securities and other short-term investments” and are stated at cost.

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 and other accounts receivable are carried at original invoice amount less valuation allowances for credit risk.

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

1.12

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.

Bank overdrafts are included within current liabilities.

1.13

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 asset’s recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

1.13.1
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.

1.13.2
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.

1.14
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 and other current accounts payable are stated at cost.

1.15
Loans payable

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

1.16
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.

1.16.1
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.

1.16.2
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.

1.17
Employee benefits

1.17.1
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 cost 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% 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 cost 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.

1.17.2
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.

1.17.3
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.

1.18
Share capital

1.18.1
Equity transaction costs

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

1.18.2
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.

1.18.3
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.

1.19
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.

1.20
Interest income / expense

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

1.21
Income tax

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

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.

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.

1.22 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 earnings are presented after elimination of inter-segment profit.

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.

The segmental information for 2001 has been re-stated in respect of an allocation of goodwill against individual cash generating units to more appropriately reflect the segmental classification of the related items. This has led to "Segment assets" and "Amortisation of goodwill" being adjusted for 2001.

Business segments

The Group comprises the following main business segments:

Television:

RTL Group's television segment comprises interests in 23 free-to-air television channels in 8 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.

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, tickets and merchandise) for sports events with a focus on soccer.

Radio:

RTL Group's commercial radio segment comprises interests in 22 radio stations in 8 countries.

New Media:

RTL Group's new media segment mainly includes teletext, merchandising and on-line marketing services.

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 2002	Television 2001	Content 2002	Content 2001	Radio 2002	Radio 2001	New Media 2002	New Media 2001	Other operations 2002	Other operations 2001	Eliminations 2002	Eliminations 2001	Total 2002	Total 2001
Revenue from external customers	**2,835**	2,815	**1,131**	897	**230**	206	**116**	89	**50**	47	**-**	-	**4,362**	4,054
Inter-segment revenue	**66**	51	**255**	251	**-**	-	**3**	2	**25**	24	**(349)**	(328)	**-**	-
Total revenue	**2,901**	**2,866**	**1,386**	**1,148**	**230**	**206**	**119**	**91**	**75**	**71**	**(349)**	**(328)**	**4,362**	**4,054**
Profit / (loss) from operating activities	**117**	(67)	(21)	(2,413)	**38**	22	**(17)**	(66)	**(30)**	175	**-**	-	**87**	(2,349)
Share of results of associates	**30**	6	**2**	7	**2**	-	-	-	**-**	-	**-**	-	**34**	13
EBIT	**147**	(61)	**(19)**	(2,406)	**40**	22	**(17)**	(66)	**(30)**	175	**-**	-	**121**	(2,336)
EBITA	**331**	**297**	**89**	**48**	**46**	**26**	**(13)**	**(55)**	**(29)**	**(40)**	**-**	**-**	**424**	**276**
Amortisation of goodwill	**(112)**	(84)	**(109)**	(173)	**(1)**	(2)	**(5)**	-	**(1)**	(8)	**-**	-	**(228)**	(267)
Impairment of goodwill	**(70)**	(286)	**-**	(2,276)	**-**	-	**-**	(11)	**-**	-	**-**	-	**(70)**	(2,573)
Gain / (loss) from sale of subsidiaries, joint ventures and other investments	**(2)**	12	**1**	(5)	**(5)**	(2)	**1**	-	**-**	223	**-**	-	**(5)**	228
EBIT	**147**	(61)	**(19)**	(2,406)	**40**	22	**(17)**	(66)	**(30)**	175	**-**	**-**	**121**	(2,336)
Segment assets	**3,774**	3,641	**2,553**	2,876	**284**	171	**55**	50	**250**	639	**(348)**	(668)	**6,568**	6,709
Investment in associates	**139**	118	**3**	3	**8**	-	**-**	-	**-**	-	**-**	-	**150**	121
Other assets													**1,170**	1,147
Total assets													**7,888**	**7,977**
Segment liabilities	**1,290**	1,378	**464**	787	**189**	145	**72**	75	**376**	282	**(322)**	(579)	**2,069**	2,088
Other liabilities													**1,394**	1,286
Total liabilities													**3,463**	**3,374**
Net assets													**4,425**	**4,603**
Capital expenditure	**73**	69	**37**	249	**3**	5	**1**	3	**74**	4	**-**	-	**188**	330
Depreciation and amortisation excluding goodwill	**(88)**	(87)	**(151)**	(181)	**(6)**	(6)	**(4)**	(5)	**(4)**	(84)	**-**	**-**	**(253)**	(363)
Impairment losses	**(2)**	-	**(11)**	(12)	**-**	-	**-**	-	**-**	-	**-**	-	**(13)**	(12)

2.2

Geographical segments
In EUR million

	Germany 2002	Germany 2001	France 2002	France 2001	Netherlands 2002	Netherlands 2001	UK 2002	UK 2001	Other regions 2002	Other regions 2001	Eliminations 2002	Eliminations 2001	Total 2002	Total 2001
Revenue from external customers	**2,148**	2,145	**786**	663	**364**	332	**562**	621	**695**	360	**(193)**	(67)	**4,362**	4,054
Segment assets	**2,459**	2,701	**1,466**	1,320	**364**	243	**1,396**	2,460	**1,772**	998	**(889)**	(1,013)	**6,568**	6,709
Capital expenditure	**94**	184	**57**	34	**7**	5	**16**	75	**14**	32	**-**	-	**188**	330

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 2002 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 262 million and EBITA of EUR 16 million to the Group for the post acquisition period to 31 December 2002. As at 31 December 2002, their assets and liabilities were EUR 258 million and EUR 256 million respectively.

3.2
Details of significant acquisitions and increases in interests held in joint ventures and associates

2002

N-TV
In December 2002, the Group acquired 47% interests in the German news station N-TV for an amount of EUR 98 million. The investment has been equity accounted for at 31 December 2002. Goodwill amounting to EUR 97 million was realised on the acquisition.

M6 Group
Additional interests were acquired in M6, the French television group during 2002 increasing the interest held to 47.3%. The aggregate consideration was EUR 77 million. This resulted in goodwill of EUR 71 million arising at the RTL Group level.

TPS
M6 Group acquired an additional 9% of the satellite television operation TPS in October 2002. This has been accounted for as a joint venture at the M6 level based on the overall ownership of 34%. As a result of this acquisition, goodwill of EUR 41 million has been recorded at the RTL Group level.

AVE
In December 2002, RTL acquired interests in the German radio assets of Holtzbrinck for an amount of EUR 53 million generating goodwill amounting to EUR 47 million.

Due to the timing of the acquisition, the fair values of the identifiable assets and liabilities acquired with N-TV and AVE have been determined on a provisional basis, and are therefore subject to adjustment in 2003.

2001

Sportfive Group
In December 2001, the merger of UFA Sports (99.7% owned by RTL Group) and Sport+, the sports rights trading subsidiary of Groupe Canal+ with Groupe Jean-Claude Darmon (28% owned by RTL Group) created an enlarged European TV and sports rights marketing group named “Sportfive”. As at December 31, 2001 RTL Group held 44.4% of Sportfive. The aggregate consideration comprised the contribution of 55.6% 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%. 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% investment in Antena 3 Group has been equity accounted reflecting the RTL Group's significant influence over Antena 3. RTL Group's significant influence over Antena 3 has been established as a result of the Group's active participation on the Antena 3 Board. 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% interest in Antena 3, and secondly through a purchase in 2000 for cash amounting to EUR 182 million. As a result of the equity accounting of Antena 3, goodwill amounting to EUR 452 million has been recognised.

3.3
Assets and liabilities acquired

in EUR million	**2002**	**2001**
Purchase consideration:		
■ Cash paid	**294**	247
■ Deferred consideration	**30**	-
■ Fair value of shares issued	**-**	354
■ Fair value of net assets contributed	**-**	188
Total purchase consideration	**324**	789
Less: Fair value of net assets acquired	**(1)**	(148)
Goodwill	**323**	**641**

3.4
Cash outflow on acquisitions and change in consolidation scope

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

in EUR million	**2002**	**2001**
Cash and cash equivalents	**(1)**	20
Property, plant and equipment	**27**	10
Intangible assets	**2**	1
Financial assets including investment in associates	**35**	61
Marketable securities	**2**	5
Current and non current programme rights	**82**	32
Receivables (trade and other)	**48**	217
Payables (trade and other)	**(112)**	(174)
Other post retirement obligations	**(1)**	-
Other provisions	**(12)**	(19)
Interest bearing loans and borrowings	**(68)**	-
Net deferred tax assets / (liabilities)	**1**	(5)
Minority interests	**(2)**	-
Fair value of net assets acquired	**1**	148
Goodwill capitalised (see note 5.1)	**323**	641
Total purchase consideration	**324**	789
Less: Discharged by shares issued in 2000	**-**	(354)
Discharged by cash outflow in acquiring associates	**(113)**	(182)
Discharged by net assets contributed	**-**	(188)
Deferred consideration	**(30)**	-
Cash and cash equivalents in operations acquired	**1**	(20)
Cash outflow on acquisitions	**182**	**45**

4
Consolidated income statement

4.1

Revenue
In EUR million

	2002	%	2001	%
Net spot advertising sales	**2,478**	**57%**	2,455	61%
Net barter advertising sales	**58**	**1%**	60	1%
Net other advertising sales	**161**	**4%**	59	1%
Net advertising sales	**2,697**	**62%**	2,574	63%
Net program and sport right sales	**1,001**	**23%**	989	25%
Other sales	**664**	**15%**	491	12%
	4,362	**100%**	**4,054**	**100%**

"Other sales" mainly includes revenue from merchandising (EUR 188 million), homeshopping (EUR 104 million) and technical services (EUR 137 million).

4.2

Other operating expense
In EUR million

	Notes	2002	2001
Personnel costs	4.2.1	**664**	629
External cost of live programmes		**582**	431
External cost of transmitting		**145**	130
Other marketing, promotion and public relations costs		**122**	130
Author rights		**109**	84
Rental costs		**93**	77
Marketing and promotion costs - barter		**37**	33
Other		**553**	491
		2,305	**2,005**

4.2.1

Personnel costs
In EUR million

	2002	2001
Wages and salaries	**496**	469
Social security	**97**	93
Pension costs	**5**	8
Other personnel costs	**66**	59
	664	**629**

Personnel costs set out above exclude costs of EUR 101 million (2001: EUR 92 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 contributions 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:

	2002	2001
Employees of fully consolidated undertakings	**6,289**	6,025
Employees of joint ventures	**1,919**	1,210
	8,208	**7,235**

The average number of employees of joint ventures has increased significantly mainly due to scope changes (proportionate consolidation of Sportfive group and TPS).

4.3

Gain / (loss) from sale of subsidiaries, joint ventures and other investments

The "Gain / (loss) from sale of subsidiaries, joint ventures and other investments" mainly relates to the following:

2002

- The disposal of Berliner Rundfunk resulted in a gain of EUR 5 million.

- The disposal of FM Radio Network and VCF resulted in losses of EUR 10 million.

2001

- The disposal of the Group's remaining 5% 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 resulted in a gain of EUR 144 million relating to the disposal of 55.6% of UFA Sports.

- Other gains on disposals amounted to EUR 25 million, largely in respect of Serie Club and the Group's Polish television operations (RTL 7).

4.4

Net interest expense

In EUR million	**2002**	**2001**
Interest income	**41**	48
Interest expense	**(77)**	(81)
	(36)	**(33)**

4.5

Financial results other than interest

In EUR million	**2002**	**2001**
Impairment losses and reversal of impairment on financial assets	**(45)**	(53)
Gain / (loss) from sale of other financial assets	**12**	(1)
Other financial results	**(14)**	(1)
	(47)	**(55)**

"Impairment losses and reversal of impairment on financial assets" includes an impairment loss of EUR 39 million against the 5% interest of the Group in the Spanish cable operation Via Digital.
"Gain / (loss) from sale of other financial assets" is largely attributable to the gain of EUR 12 million on the disposal of the Group's 12% interest in Luxair.
"Other financial results" include a EUR 10 million fair value adjustment on options (note 6.8).

4.6

Income tax expense

In EUR million	2002	2001
Current tax expense	**107**	104
Deferred tax income	**(22)**	(37)
	85	**67**

The tax on the Group profit before tax differs from the theoretical amount that would arise using Luxembourg tax rate (30.38% compared to 37.45% in 2001 following the new tax law enacted on 27 December 2001) as follows:

In EUR million	2002	2001
Profit / (Loss) before taxes	**39**	(2,424)
Goodwill amortisation and impairment	**298**	2,840
Other non deductible expense / non taxable income	**(15)**	74
Taxable profit	**322**	490
Tax calculated at the Luxembourg tax rate 30.38% (2001: 37.45%)	**98**	184
Effect of tax rate in foreign juridictions	**(25)**	(39)
Effect of German trade tax	**28**	33
Tax charge before adjustments on prior years	**101**	178
Current tax adjustments on prior years	**(13)**	(74)
Deferred tax adjustments on prior years	**(3)**	(37)
Tax charge	**85**	**67**

4.7

Earnings per share

The calculation of basic earnings per share is based on the net loss attributable to ordinary shareholders of EUR 56 million (2001: loss of EUR 2,499 million) and a weighted average number of ordinary shares outstanding during the year of 153,618,853 (2001: 153,621,325), calculated as follows:

	2002	2001
Net loss attributable to ordinary shareholders (in EUR million)	**(56)**	(2,499)
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	**154,787,554**	154,787,554
Effect of own shares held	**(1,168,701)**	(1,166,229)
Weighted average number of ordinary shares	**153,618,853**	153,621,325
Basic earnings per share (in EUR)	**(0.37)**	(16.27)
Diluted earnings per share (in EUR)	**(0.37)**	(16.27)

For 2002 and 2001, there is no dilutive impact of the share option plan, as all options are out of the money and are therefore anti-dilutive.

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 2002	**97**	**623**	**904**	**54**	**1,678**	**6,645**	**104**
Effect of movements in foreign exchange	-	(67)	(20)	-	**(87)**	(32)	(1)
Additions	7	5	82	30	**124**	-	14
Disposals	(4)	-	(31)	(3)	**(38)**	-	(2)
Subsidiaries, joint ventures and associates acquired	8	2	4	-	**14**	323	2
Transfers and other changes	9	7	34	(54)	**(4)**	10	1
Balance at 31 December 2002	**117**	**570**	**973**	**27**	**1,687**	**6,946**	**118**
Amortisation							
Balance at 1 January 2002	**(20)**	**(616)**	**(677)**	**-**	**(1,313)**	**(3,118)**	**(79)**
Effect of movements in foreign exchange	-	66	15	-	**81**	9	1
Amortisation charge for the year	(15)	(17)	(129)	-	**(161)**	(228)	(14)
Impairment losses recognised for the year	-	-	(13)	-	**(13)**	(70)	-
Disposals	-	-	30	-	**30**	-	2
Transfers and other changes	-	10	(52)	-	**(42)**	(3)	(1)
Balance at 31 December 2002	**(35)**	**(557)**	**(826)**	**-**	**(1,418)**	**(3,410)**	**(91)**
Carrying amount							
At 31 December 2001	**77**	**7**	**227**	**54**	**365**	**3,527**	**25**
At 31 December 2002	**82**	**13**	**147**	**27**	**269**	**3,536**	**27**

Net intangible assets held under finance leases at 31 December 2002 amount to EUR 15 million (2001: EUR 18 million).

5.1.1

FremantleMedia goodwill

The carrying value of FremantleMedia goodwill as at 31 December 2002 amounts to EUR 1,485 million (2001: 1,677 million) and will be amortised over the remaining 18 years in accordance with the Group's accounting policy.

5.1.2

Impairment losses recognised for the year

In accordance with IAS 36 "Impairment of Assets", the carrying value of the Group's holdings in the transmission assets of FremantleMedia has been compared to its recoverable amount, represented by the higher of the net selling price and value in use. The recoverable amount of the above cash generating unit is based on the net selling price. The net selling price has been derived from a review of comparable recent market transactions.

The review has resulted in a EUR 70 million charge being recognised in the income statement on the goodwill arising on the acquisition of these transmission assets.

The impairment losses recognised in the income statement result from a decrease in market valuations and the re-alignment of this business.

The remaining goodwill of EUR 64 million in respect of these assets will be amortised over the remaining 18 years in accordance with the Groups' accounting policy.

5.2

Property, plant and equipment

In EUR million

	Lands, buildings and improvements	Technical equipment	Other	Total
Cost				
Balance at 1 January 2002	**299**	**367**	**192**	**858**
Effect of movements in foreign exchange	(2)	(3)	(2)	**(7)**
Additions	7	18	27	**52**
Disposals	(10)	(17)	(21)	**(48)**
Subsidiaries and joint ventures disposed of	-	(39)	(5)	**(44)**
Subsidiaries and joint ventures acquired	5	4	18	**27**
Transfers and other changes	-	1	-	**1**
Balance at 31 December 2002	**299**	**331**	**209**	**839**
Depreciation				
Balance at 1 January 2002	**(107)**	**(274)**	**(126)**	**(507)**
Effect of movements in foreign exchange	-	2	1	**3**
Depreciation charge	(18)	(30)	(30)	**(78)**
Disposals	9	14	15	**38**
Subsidiaries and joint ventures disposed of	-	28	4	**32**
Transfers and other changes	1	-	-	**1**
Balance at 31 December 2002	**(115)**	**(260)**	**(136)**	**(511)**
Carrying amount				
At 31 December 2001	**192**	**93**	**66**	**351**
At 31 December 2002	**184**	**71**	**73**	**328**

Net tangible assets held under finance leases at 31 December 2002 amounts to EUR 15 million (2001: EUR 16 million).

5.3

Investments in associates
In EUR million

	2002	2001
Balance at 1 January	**121**	**59**
Effect of movements in foreign exchange	**1**	1
Share of result after tax [1]	**34**	25
Dividend distribution	**(25)**	(31)
Change in consolidation scope	**16**	67
Transferts and other changes	**3**	-
Balance at 31 December	**150**	**121**

[1] *excluding losses in excess of the investment in associates amounting to EUR 0 million (2001: EUR 12 million).*

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 2002 amounts to EUR 291 million (2001: EUR 189 million).

5.4

Loans and other financial assets
In EUR million

	2002	2001
Loans to associates	**2**	8
Other loans and financial assets	**182**	305
Other investments	**66**	94
	250	**407**

Other loans and financial assets include an amount of EUR 156 million (2001: EUR 155 million) in respect of a loan to Channel 5.

5.4.1

Available-for-sale investments
In EUR million

	2002	2001
Balance at 1 January		
Non-current (see note 5.4)	**94**	743
Current (see note 5.8)	**66**	69
	160	812
Fair value adjustment on opening balance (adoption of IAS 39)		117
Restated balance at 1 January	**160**	929
Net acquisitions / (disposals)	**(14)**	(65)
Revaluation deficit	**(10)**	(168)
Other changes	**(21)**	(536)
Balance at 31 December	**115**	160
Non-current (see note 5.4)	**66**	94
Current (see note 5.8)	**49**	66
	115	**160**

5.5

Deferred tax assets and liabilities

In EUR million

	2002	2001
Deferred tax assets	**136**	112
Deferred tax liabilities	**(9)**	(45)
	127	67

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 8,253 million (2001: EUR 8,101 million) to carry forward against future taxable income. The most significant portion of these tax losses are generated in Luxembourg and have no expiry date.

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

Deferred tax assets

In EUR million

	Provisions	Programme rights	Tax losses	Other	2002 Total	2001 Total
Balance at 1 January					**112**	**102**
Set off of tax					**(4)**	22
	28	65	15	-	**108**	124
Credited / (charged) to income statement	3	5	(14)	-	**(6)**	(16)
Change in consolidation scope	-	9	-	-	**9**	-
Transfer	-	-	-	25	**25**	-
	31	79	1	25	**136**	108
Set off of tax					**-**	4
Balance at 31 December					**136**	**112**

Deferred tax liabilities

In EUR million

	Property, plant and equipment	Other	Total	Total
Balance at 1 January			**(45)**	**(53)**
Set off of tax			**4**	(22)
	(5)	(36)	**(41)**	(75)
Credited to income statement	3	25	**28**	53
Charged to equity	-	27	**27**	(14)
Change in consolidation scope	-	2	**2**	(5)
Transfer	-	(25)	**(25)**	-
	(2)	(7)	**(9)**	(41)
Set off of tax			**-**	(4)
Balance at 31 December			**(9)**	**(45)**

5.6

Current programme rights

In EUR million

	2002 Gross Value	2002 Valuation allowance	2002 Net value	2001 Net value
(Co)productions	463	(194)	269	261
Children's programme rights	8	(1)	7	6
TV programmes	65	(5)	60	43
Other distribution and broadcasting rights	804	(162)	642	646
Sub-total programme rights	1,340	(362)	978	956
(Co)productions and programmes in progress	95	(18)	77	58
Advance payments on (co)productions, programmes and rights	81	(2)	79	47
Sub-total programme rights in progress	176	(20)	156	105
	1,516	(382)	1,134	1,061

5.7

Accounts receivable

In EUR million

	2002 Under 1 year	2002 Over 1 year	2002 Total	2001 Under 1 year	2001 Over 1 year	2001 Total
Trade accounts receivable	716	26	742	785	9	794
Accounts receivable from associates	11	-	11	27	-	27
VAT receivable	111	-	111	70	-	70
Prepaid expenses	72	-	72	80	-	80
Accrued interest on loans and other financial assets	38	-	38	-	34	34
Fair value of derivative assets	7	-	7	51	-	51
Other accounts receivable	242	11	253	252	35	287
	1,197	37	1,234	1,265	78	1,343

5.8

Marketable securities and other short-term investments

In EUR million

	2002	2001
Available-for-sale investments (see note 5.4.1)	49	66
Fixed term deposits (> 3 months)	-	2
Other short term investments	-	10
	49	78

5.9

Cash and cash equivalents

In EUR million

	2002	2001
Cash in hand and at bank	155	146
Fixed term deposits (<3 months)	107	147
Other cash equivalents	7	9
	269	302

5.10

Loans and bank overdrafts

In EUR million	2002	2001
Current liabilities		
Bank overdrafts	**54**	220
Bank loans payable and bonds	**10**	64
Current portion of other non current loans payable	**50**	33
Leasing liabilities	**2**	4
Other current loans payable	**603**	605
	719	**926**
Non current liabilities		
Bank loans payable and bonds	**64**	23
Leasing liabilities	**31**	32
Other non-current loans payable	**460**	155
	555	**210**

Term and debt repayment schedule

in EUR million	Under 1 year	2002 1-5 years	Over 5 years	Total carrying amount
Bank overdrafts	**54**	**-**	**-**	54
Bank loans payable	**10**	**47**	**17**	74
Leasing liabilities	**2**	**23**	**8**	33
Other loans payable	**653**	**360**	**100**	1,113
	719	**430**	**125**	1,274

Leasing liabilities

In EUR million	2002	2001
Less than one year	**2**	4
Betwen one and five years	**23**	23
More than five years	**8**	9
	33	**36**

5.11

Current accounts payable

In EUR million

	2002	2001
Amounts due to associates	**55**	33
Trade accounts payable	**979**	1,025
Fair value of derivative liabilities	**72**	17
Other accounts payable	**589**	590
	1,695	**1,665**

“Fair value of derivative liabilities” include the fair value of forward foreign exchange contracts for an amount of EUR 62 million and the fair value of written put options on equity instruments for an amount of EUR 10 million.

“Other accounts payable” include deferred income for an amount of EUR 94 million (2001: EUR 112 million).

Non-current accounts payable

In EUR million	2002 1-5 years	2002 Over 5 years	2002 Total	2001 1-5 years	2001 Over 5 years	2001 Total
Other accounts payable	**159**	**-**	**159**	205	-	**205**

5.12

Provisions
In EUR million

	Employee benefits[1]	Losses of unlimited entities	Litigation	Restructuring	Onerous contracts	Other provisions	Total
Balance at 1 January 2002	**94**	**46**	**15**	**4**	**21**	**43**	**223**
Provisions made during the year	25	-	31	7	14	27	104
Provisions used during the year	(23)	(1)	(4)	(3)	(14)	(1)	(46)
Provisions reversed during the year	(4)	-	(8)	(1)	-	(13)	(26)
Change in consolidation scope	1	(43)	7	-	-	3	(32)
Other changes	(1)	2	2	-	-	(9)	(6)
Balance at 31 December 2002	**92**	**4**	**43**	**7**	**21**	**50**	**217**

[1] Employee benefits comprise provisions for defined benefit obligations for EUR 68 million (2001: EUR 63 million), provisions for defined contribution obligations EUR 3 million (2001: EUR 6 million) and provision for other employee benefits EUR 21 million (2001: EUR 25 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 defined benefit plans of the Group 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 on retirement, death and disabilities.

Germany

Employees of UFA Berlin Group, Sportfive GmbH, UFA Film & Fernseh and the German branch of CLT-UFA participate in the multi-employer Bertelsmann plan. Each employer which participates in this plan has separately identifiable liabilities. The plan is unfunded and defined benefit in nature. IP Deutschland sponsors individual plans for five employees and former employees providing defined pension benefits to each employee at retirement. RTL Television sponsors individual plans for three employees providing defined pension benefits to each employee at retirement. In addition, a number of employees participate in a support fund providing pension benefits to members and their dependants on retirement and death.

France

Ediradio, ID and IP France operate retirement indemnity plans, which, by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at date of termination of employment in accordance with the applicable collective agreement. The RTL retirement indemnity plan is partly funded by an insurance contract. M6 Group participates in a defined benefit plan which provides pension benefits to members on retirements.

The Netherlands

Employees of IP Netherlands participate in a defined benefit plan insured with the insurance company Aegon, which provides pension benefits to members and their dependants on retirement and death.

United Kingdom

FremantleMedia operates the RTL Group UK Pension Plan (“the RTL UK Plan”), which was established on 29 December 2000. The RTL UK Plan provides both defined benefit and defined contribution benefits.

• **Defined benefit plans**

The principal actuarial assumptions and the amounts recognised in the balance sheet and income statement are as follows:

	2002 % a year	2001 % a year
Expected return on plan assets at 31 December	**5.0 – 7.25**	5.0 – 7.25
Discount rate at 31 December	**5.5 – 5.75**	5.5 – 6.0
Future salary increases	**3.0 – 4.25**	3.0 – 4.25
Medical cost trend rate	**2.0 – 2.50**	2.0 – 2.25
Future pension increases	**2.0 – 4.0**	2.0 – 4.0

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

In EUR million	2002	2001
Present value of funded obligations	**31**	23
Fair value of plan assets	**(16)**	(11)
Present value of unfunded obligations	**59**	53
Deficit	**74**	65
Unrecognised actuarial losses	**(6)**	(2)
Liability in the balance sheet (see note 5.12)	**68**	**63**

The amounts recognised in the income statement are as follows:

In EUR million	2002	2001
Current service cost	**8**	8
Interest cost	**4**	3
Settlements and curtailments	**(1)**	(2)
	11	**9**

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

In EUR million	2002	2001
At beginning of year	**63**	**64**
Total expense	**11**	9
Contributions paid	**(7)**	(7)
Other changes	**1**	(3)
At end of year	**68**	**63**

• **Defined contribution plans**

At year end the defined contribution plans amount to EUR 3 million in provisions.

5.14
Shareholders' equity

5.14.1
Share capital

As at 31 December 2002, the subscribed capital amounts to EUR 192 million (2001: EUR 192 million) and is represented by 154,787,554 (2001: 154,787,554) fully paid-up ordinary shares, without nominal value. All shares have the same rights and entitlements. The authorised share capital is EUR 196 million.

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 2002, the Group holds 1,168,701 own shares (2001: 1,168,701) at a cost of EUR 44 million (2001: EUR 44 million).

5.14.3
Dividends

At the Annual General Meeting on 16 April 2003, a dividend in respect of 2002 of EUR 0.70 per share is to be proposed. These financial statements do not reflect the final proposed dividend payable, which will be accounted for as an appropriation of retained earnings in 2003. The dividends in respect of 2001 amounted to EUR 0.50 per share (EUR 77 million).

5.14.4
Other reserves

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

In EUR million	Revaluation reserve (available-for-sale investments)	Hedging reserve	Currency translation reserve	Total
Balance at 1 January 2002	**(15)**	**20**	**(41)**	**(36)**
Effect of movements in foreign exchange	-	-	(21)	(21)
Fair value adjustments	(14)	(25)	-	(39)
Transfers to income statement	27	-	-	27
Transfers to acquisition cost of programme rights	-	(17)	-	(17)
Balance at 31 December 2002	**(2)**	**(22)**	**(62)**	**(86)**

"Transfers to income statement" relate to a EUR 39 million impairment loss against Via Digital and a EUR 12 million gain on the disposal of Luxair recognised in "Financial results others than interest" (note 4.5).

The currency translation movement for the year, amounting to EUR 21 million, includes EUR 13 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 Group for the year ended 31 December 2002 with Luxembourg accounting principles is as follows:

In EUR million	2002	2001
Shareholders' equity under IFRS as at 31 December	**4,402**	4,585
Accounting for treasury shares	**44**	44
Accounting for financial instruments	**5**	(3)
Shareholders' equity under Luxembourg GAAP as at 31 December	**4,451**	4,626
Net loss under IFRS	**(56)**	(2,499)
Accounting for financial instruments	**(22)**	2
Net loss under Luxembourg GAAP	**(78)**	(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. 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 equity pending the sale of the investment.

6
Commitments and contingencies

In EUR million	2002	2001
Commitments and endorsements given	**652**	562
Contracts for purchasing rights, (co)productions and programmes	**2,378**	2,591
Operating leases	**377**	443
Other long-term contracts and commitments	**739**	519

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 2,378 million (2001: EUR 2,591 million).

6.2
Operating leases

Non-cancellable operating lease rentals are as follows:

	Lease payments			
In EUR million	Under 1 year	1-5 years	Over 5 years	Total
Leasing of satellite transponders	21	105	15	141
Other operating leases	39	150	47	236
	60	**255**	**62**	**377**

6.3

Other long-term contracts and commitments

The Group has "Other long-term contracts and commitments" amounting to EUR 739 million at 31 December 2002 (2001: EUR 519 million). These relate to a number of items including broadcasting licenses, distribution and transmission arrangements, production services and sale and lease back transactions in respect of FremantleMedia.

FremantleMedia has arrangements for a remaining period of 15 years in relation to sale and lease back transactions for an amount of EUR 136 million (2001: EUR 76 million). Under these arrangements, FremantleMedia has sold programme rights to a special purpose vehicle and simultaneously leased back the assets under a finance lease arrangement. The cash received is placed in a "restricted bank account" at a AA rated bank in order to satisfy the lease payments. Fees received by FremantleMedia were recognised in the income statement when entering into these arrangements.

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 include, inter alia, CLT-UFA in Luxembourg and Five 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 terms 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 of Luxembourg.

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 alleged rights against, amongst others, RTL Group. The option, which was exercisable until April 2002, has not been exercised and has accordingly lapsed.

6.6

Special rights of Pearson plc on RTL Group shares

Following the acquisition by Bertelsmann of Pearson's 22% 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 plc on RTL Group shares 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 RTL Group or one of its subsidiaries at the time of the granting the 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:

In thousands of options	**2002**	**2001**
Options outstanding at 1 January	**450**	492
Options issued during the year	**-**	14
Options expired / cancelled during the year	**(59)**	(56)
Options outstanding at 31 December	**391**	**450**

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	12
2010	85.24	303
2010	120.00	62
2011	85.24	14
		391

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 generally granted under the plan in September 1998, December 1998, June 1999, January 2000, June 2001 and June 2002. Options granted in September and December 1998 may only be exercised after expiry of three years from the date of grant and must be exercised before the expiry of seven 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. Options granted in June 2001 and June 2002 may only be exerciced 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% of the average value of shares in Metropole Television on the Paris Stock Exchange over the twenty trading days preceding the date of grant.

In thousands of options	**2002**	**2001**
Options outstanding at 1 January	**2,771**	2,434
Options issued during the year	**711**	552
Options exercised during the year	**(220)**	(215)
Options expired / cancelled during the year	**(300)**	-
Options outstanding at 31 December	**2,962**	**2,771**

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	415
4 December 2005	13.64	480
4 June 2006	18.80	525
19 January 2007	44.63	50
26 May 2007	58.58	294
6 June 2008	30.80	498
June 2009	28.60	700
		2,962

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 five percent 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 20 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 were exercisable within the public offer on Sportfive S.A. shares launched by RTL Group and Canal+ Group between 25 January 2002 and 27 February 2002.

Movements in the number of share options are as follows :

In thousands of options	**2002**	**2001**
Options outstanding at 1 January	**132**	135
Options issued during the year	**-**	-
Options exercised during the year	**(46)**	-
Options expired / cancelled during the year	-	(3)
Options outstanding at 31 December	**86**	**132**

Share options (in thousands) outstanding at 31 December 2002 have the following terms :

Expiry date	**Exercise price (in EUR)**	**Number of options**
2004	32.32	73
2006	112.32	13
		86

The outstanding number of share options granted to the directors of the Company as at 31 December 2002 was 0 (2001: 52,413).

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

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 risks 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% 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 85% of known cash flows linked to programme rights, which constitute firm commitments, and between 10% and 55% of longer term (between 2 and 5 years) forecasted cash flows arising from foreign currency denominated output deals.

The Group's policy is not to apply the foreign currency cash flow hedge model defined under IAS 39 to economic hedges of exposures 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 exposures relate 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) and;
- amounts are sufficiently material to justify the need for hedge accounting.

The number of foreign currency cash flow hedge relationships amounts to 390 at year-end 2002. Those transactions account for 80% of the total fair value of foreign currency derivatives at that date.

In EUR million	2002	2001
Fair value of forward foreign exchange contracts (cash flow hedge)	(44)	32
Fair value of other forward foreign exchange contracts	(11)	2
	(55)	34

The notional amount of forward foreign exchange contracts is EUR 858 million (2001: EUR 950 million).

Interest rate risk

The management of interest rate risk is centralised at the level of Group Treasury. The Group has no 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 2002.

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

In EUR million	Notes	Effective Interest Rate	Total	Under 6 months	6-12 months	1-2 years	2-5 years	Over 5 Years
Cash and cash equivalent	5.9	2.4%	269	269	-	-	-	-
Other loans	5.4	6.1%	156	-	156	-	-	-
Secured bank loans	5.10	3.9%	(14)	(4)	(10)	-	-	-
Unsecured bank facilities	5.10	3.5%	(60)	(60)	-	-	-	-
Commercial paper	5.10	3.6%	(154)	(154)	-	-	-	-
Bank overdrafts	5.10	4.2%	(54)	(54)	-	-	-	-
Leasing liabilities	5.10	3.6%	(33)	(17)	(1)	(3)	(4)	(8)
Non-current loans payable [1]	5.10	4.5%	(957)	(557)	(100)	-	(300)	-
At 31 December 2002			**(847)**	**(577)**	**45**	**(3)**	**(304)**	**(8)**

[1] *including financial liabilities bearing fixed interest rates for an amount of EUR 300 million (fair value at year end: EUR 311 million).*

In EUR million	Notes	Effective Interest Rate	Total	Under 6 months	6-12 months	1-2 years	2-5 years	Over 5 Years
Cash and cash equivalent	5.9	3.1%	302	302	-	-	-	-
Other loans	5.4	6.5%	155	-	155	-	-	-
Secured bank loans	5.10	5.4%	(6)	(6)	-	-	-	-
Unsecured bank issues	5.10	5.1%	(62)	-	(62)	-	-	-
Commercial paper	5.10	3.6%	(602)	(599)	(3)	-	-	-
Leasing liabilities	5.10	4.3%	(112)	(19)	-	(3)	(19)	(71)
Unsecured bank facilities	5.10	3.4%	(20)	(20)	-	-	-	-
Bank overdrafts	5.10	2.0%	(220)	(220)	-	-	-	-
Non-current loans payable	5.10	6.4%	(190)	(190)	-	-	-	-
At 31 December 2001			**(755)**	**(752)**	**90**	**(3)**	**(19)**	**(71)**

Other than the Group's loan with Bertelsmann as at 31 December 2002 for an amount of EUR 300 million which bears a fixed rate interest charge, the majority of interest-earning assets and interest-bearing liabilities are subject to floating rate interest charges. The carrying amounts disclosed above approximate their fair values.

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 674 million at year-end.

Other financial instruments

The Group has entered into a call option contract with regard to the acquisition of additional interests in Sportfive.

The option is exercisable between 1st December 2005 and 30 April 2006. In addition, third parties have entered with RTL Group into put option contracts with regards to shares of Sportfive (exercisable between 30 June 2005 and 30 November 2005) and Phoenix (exercisable between 2009 and 2012). The negative fair value of these options amounting to EUR 10 million has been recognised in "Financial results other than interest" (note 4.5).

7
Related parties

Identity of related parties

As at 31 December 2002 the principal shareholders of the Group are Bertelsmann AG and BWTV (approximately 90%). The remainder of the Group's shares (excluding the treasury shares) are publicly listed on the Brussels and Luxembourg stock exchanges. The Group also has a related party relationship with its associates, joint ventures and with its Directors.

7.1
Transactions with shareholders

During the year the Group made sales of goods and services, purchases of goods and services to Bertelsmann amounting to EUR 8 million (2001: EUR 14 million) and EUR 50 million (2001: EUR 8 million) respectively. At the year end, the Group had receivables and payables due from / to Bertelsmann amounting to EUR 2 million (2001: EUR 2 million) and EUR 18 million (2001: EUR 8 million) respectively.

In April 2002, RTL Group entered into a EUR 300 million loan agreement with Bertelsmann AG. The loan is granted to RTL Group for a period of 3 years. The loan bears interest on the basis of the three-year Euro Swap rate. The loan is repayable in full by April 2005. The interest expense accrued at 31 December 2002 amounts to EUR 11 million. The interest expense for the year amounts to EUR 11 million.

On 5 November 2002, RTL Group entered into a EUR 600 million Revolving Credit Facility (the "Facility") granted by Bertelsmann AG. The Facility is granted to RTL Group for the period from 8 November 2002 to 31 August 2006. Of this facility, EUR 295 million has been drawn down and is composed of 3 facilities of respectively EUR 100 million (4 December 2002) with a maturity date of 6 January 2003, EUR 95 million (9 December 2002) with a maturity date of 9 June 2003 and EUR 100 million (20 December 2002) with a maturity date of 19 December 2003. The Facility bears interest at a rate per annum equal to the sum of the EURIBOR rate plus a 45 basis point margin. As at 31 December 2002, the balance of the Facility used by RTL Group amounts to EUR 295 million and the interest accrued at 31 December 2002 amounts to EUR 0.6 million. The interest expense for the year amounts to EUR 0.6 million.

On 5 November 2002, RTL Group entered into a EUR 300 million Revolving Credit Facility (the "Facility") granted by Bertelsmann AG. The Facility is granted to RTL Group for the period from 8 November 2002 to 31 August 2003. Of this facility, EUR 153 million has been drawn down and is composed of one facility of EUR 153 million with a maturity date of 2 January 2003. The Facility bears interest at a rate per annum equal to the sum of the EONIA rate plus a 25 basis point margin. As at 31 December 2002, the balance of the Facility used by RTL Group amounts to EUR 153 million and the interest accrued at 31 December 2002 amounts to EUR 0.4 million. The interest expense for the year amounts to EUR 0.5 million.

7.2
Transactions with associates and joint ventures

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

In EUR million	2002	2001
Sales of goods and services to related parties		
Associates	**68**	72
Joint ventures	**99**	108
	167	**180**
Purchase of goods and services from related p	es	
Associates	**5**	8
Joint ventures	**25**	11
	30	**19**

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

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

In EUR million	2002	2001
Receivables from related parties		
Associates	**14**	27
Joint ventures	**9**	11
	23	**38**
Payables to related parties		
Associates	**9**	23
Joint ventures	**4**	8
	13	**31**

7.3

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 2 million in 2002 (2001 : EUR 6 million).

7.4

Share options granted to directors

The aggregate number of share options granted to the directors of the Company during 2002 was 0 (2001: 8,500). The outstanding number of share options granted to the directors of the Company at the end of the year was 51,000 (2001: 51,000).

7.5

Directors' fees

In 2002, a total of EUR 0.7 million (2001: EUR 0.7 million) was allocated in the form of attendance fees to the members of the Board of Directors of RTL Group S.A. and the committees which emanate from it with respect to their functions within RTL Group S.A. as well as other Group companies.

8

Interests in joint ventures

Significant joint ventures

	Country of incorporation	Ownership interest 2002	Ownership interest 2001
M6 Group [1]	France	47.3	45.1
Channel 5 Group	UK	64.5	64.5
RTL Disney Fernsehen GmbH & Co KG	Germany	49.8	49.8
Sportfive Group [2]	France	46.3	44.4

[1] Including the joint venture of M6 in TPS.

[2] As Sportfive has been proportionally consolidated with effect from 31 December 2001, there was no impact in 2001 on the income and expenses of the Group.

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:

In EUR million	2002	2001
Non current assets	**226**	206
Current assets	**856**	736
Non current liabilities	**(328)**	(298)
Current liabilities	**(615)**	(511)
Net assets	**139**	**133**

In EUR million	2002	2001
Income	**1,073**	657
Expenses	**(1,053)**	(713)

9
Group undertakings

		2001			2002		
	Country of incorporation	Note	Group's Ownership	Consolidated method (1)	Note	Group's Ownership	Consolidated method (1)
RTL Group SA	Luxembourg			M			M
Broadcasting TV							
5 Direct Ltd	UK	(5)	64.5	P	(5)	64.5	P
A 3 D Chile Holdings SA	Chile		-	NC	(9)	17.3	E
A 3 D Chile SA	Chile		-	NC	(9)	12.1	E
Antena 3 Castilla-Leon SA	Spain	(9)	10.3	E	(9)	10.4	E
Antena 3 de Television SA	Spain	(9)	17.2	E	(9)	17.3	E
Antena 3 Directo SAU	Spain	(9)	17.2	E	(9)	17.3	E
Antena 3 Editorial SA	Spain	(9)	17.2	E	(9)	17.3	E
Antena 3 Iniciativas Comerciales SA	Spain	(9)	17.2	E	(9)	17.3	E
Antena 3 Interactiva SA	Spain	(9)	17.2	E	(9)	17.3	E
Antena 3 International Inc	USA	(9)	17.2	E		-	NC
Antena 3 Peru SA	Peru	(9)	17.2	E	(9)	17.3	E
Antena 3 Producciones SA	Peru	(9)	17.2	E	(9)	17.3	E
Antena 3 Tematica SA	Spain	(9)	17.2	E	(9)	17.3	E
Arbatax Emisiones Audiovisuales SA	Spain	(9)	17.2	E	(9)	17.3	E
Battres Comunicacion Alternativa SA	Spain	(9)	17.2	E	(9)	17.3	E
Broadcasting Center Europe SA	Luxembourg		99.7	F		99.7	F
Broadcasting Center Nederland BV	Netherlands	(4)	99.7	F		99.7	F
Cadena de Voz de Radio Difusion SA	Spain		-	NC	(9)	17.3	E
Channel 5 Broadcasting Ltd	UK	(5)	64.5	P	(5)	64.5	P
Channel 5 Engineering Services Ltd	UK	(5)	59.4	P	(5)	59.3	P
Channel 5 Music Ltd	UK	(5)	64.5	P	(5)	64.5	P
Channel 5 Text Ltd	UK	(5)	64.5	P	(5)	64.5	P
Channel 5 Television Group Ltd	UK	(5)	64.5	P	(5)	64.5	P
Capital Productions SA	France	(3)	45.1	P	(3)	47.3	P
Cinemagazine SA	Spain	(9)	17.2	E	(9)	15.5	E
Club Téléachat SNC	France		-	NC	(3)	47.3	P
Compunet Servicios Telematicos SA	Spain	(9)	12.2	E	(9)	15.5	E
Creation GmbH (formerly House Of Promotion Produktions GmbH)	Germany		99.7	F		99.7	F
Culture Mag Editions	France	(3)	40.6	P	(3)	42.6	P
Digimedia SA	Spain	(9)	17.2	E	(9)	17.3	E

	Country of incorporation	2001 Note	2001 Group's Ownership	2001 Consolidated method (1)	2002 Note	2002 Group's Ownership	2002 Consolidated method (1)
Edit TV/M6 Music SNC	France	(3)	43.8	P	(3)	47.3	P
Ensueno Films SL	Spain		-	NC	(9)	17.3	E
Extension TV Série Club SA	France	(3)	22.5	P	(3)	23.7	P
Farmaplaning SL	Spain	(9)	17.2	E	(9)	17.3	E
Filmlux SA	Luxembourg	(4)	99.7	F		99.7	F
Football Club des Girondins de Bordeaux SAS	France	(3)	44.5	P	(3)	46.8	P
FUN TV SNC	France	(3)	45.1	P	(3)	47.3	P
Gestion de Telecomunicaciones 2000 SL	Spain	(9)	16.4	E	(9)	17.3	E
Guadiana Producciones SA	Spain	(9)	17.2	E	(9)	17.3	E
Holland Media Groep Business Nieuws BV	Netherlands	(4)	99.7	F		99.7	F
Home Shopping Service Belgique SA	France		-	NC	(3)	47.3	P
Home Shopping Service SA	France	(3)	45.1	P	(3)	47.3	P
Immobilière M6 SA	France	(3)	45.1	P	(3)	47.3	P
Inversiones Valores Immuebles SL	Spain	(9)	13.3	E	(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 Medien GmbH & CoKG	Germany		84.7	F		84.7	F
IPN SA	Netherlands		99.7	F		99.7	F
Licencias e Imagen SA	Spain		-	NC	(9)	17.3	E
London Playout Centre Ltd (formerly Pearson TV Services Ltd)	UK	(2)	100,0	F		100.0	F
M6 Bordeaux SA	France	(3)	45.1	P	(3)	47.3	P
M6 Diffusions SA	France	(3)	45.1	P	(3)	47.3	P
M6 Droits Audiovisuels SA	France	(3)	45.1	P	(3)	47.3	P
M6 Editions SA	France	(3)	45.1	P	(3)	47.3	P
M6 Evenements SA	France	(3)	45.1	P	(3)	47.3	P
M6 Films SA	France	(3)	45.1	P	(3)	47.3	P
M6 Foot SAS	France	(3)	44.6	P	(3)	46.9	P
M6 Interactions SA	France	(3)	45.1	P	(3)	47.3	P
M6 Numérique SNC	France	(3)	45.1	P	(3)	47.3	P
M6 Publicité Interactive SA	France	(3)	45.1	P	(3)	47.3	P
M6 Publicité SA	France	(3)	45.1	P	(3)	47.3	P
M6 Thématique SA	France	(3)	45.1	P	(3)	47.3	P
M6 Toulouse SA	France	(3)	45.1	P	(3)	47.3	P
Mandarin SA	France		-	NC	(3)	47.3	P
Megatrix SA	Spain		-	NC	(9)	17.3	E

	Country of incorporation	2001 Note	2001 Group's Ownership	2001 Consolidated method (1)	2002 Note	2002 Group's Ownership	2002 Consolidated method (1)
Métropole Production SA	France	(3)	45.1	P	(3)	47.3	P
Métropole Télévision SA	France	(3)	45.1	P	(3)	47.3	P
Movierecord Cine SA	Spain	(9)	17.2	E	(9)	17.3	E
M-RTL Rt	Hungary		48.8	E		48.8	E
Multivision Gestion SA	France	(3)	8.8	E		-	NC
Multivision SNC	France	(3)	11.3	E	(3)	16.1	P
Nova Televisio SA	Spain	(9)	8.8	E	(9)	8.8	E
N-TV Nachrichtenfernsehen GmbH & CoKG	Germany		-	NC		47.2	E
Productora de Aragon SA	Spain	(9)	17.2	E	(9)	17.3	E
Publicidad 3, SA	Spain	(9)	17.2	E	(9)	17.3	E
RTL Disney Fernsehen GmbH & Co.KG	Germany		49.8	P		49.8	P
RTL Group Communications SLU	Spain		-	NC		100.0	F
RTL Hessen GmbH	Germany		59.8	F		59.8	F
RTL Nord GmbH	Germany		99.7	F		99.7	F
RTL Plus SA	Luxembourg		99.7	F	(25)	-	NC
RTL Plus Sarl (Formerly SA & Co. KG)	Luxembourg		99.7	F		99.7	F
RTL Shop GmbH	Germany		88.8	F		89.2	F
RTL Television GmbH	Germany		99.7	F		99.7	F
RTL Z VOF	Netherlands		-	NC		99.7	F
RTL/de Holland Media Groep SA	Luxembourg	(4)	99.7	F		99.7	F
RTL2 Fernsehen Geschäftsführung GmbH	Germany		35.8	E		35.8	E
RTL2 Fernsehen GmbH & Co.KG	Germany		35.8	E		35.8	E
RTL4 Beheer BV	Netherlands	(4)	99.7	F		99.7	F
RTL4 Finance SA	Luxembourg	(4)	99.7	F		99.7	F
RTL4 Holding SA	Luxembourg		99.7	F		99.7	F
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		66.5	F		99.7	F
SCI du 107 SCI	France	(3)	45.1	P	(3)	47.3	P
SEDI TV SNC	France	(3)	23.0	P	(3)	24.1	P
Sky Five Text Ltd	UK	(5)	32.3	P	(5)	32.3	E
SND SA	France	(3)	45.1	P	(3)	47.3	P
Société Européenne de Télévente Belgique SCA	France		-	NC	(3)	46.9	P
Sprayette SA	Argentina	(9)	12.2	E	(9)	12.3	E
TCM Droits Audiovisuels SNC	France	(3)	18.6	P	(3)	23.7	P

	Country of incorporation	2001 Note	2001 Group's Ownership	2001 Consolidated method (1)	2002 Note	2002 Group's Ownership	2002 Consolidated method (1)
Tecipress SA	France	(3)	45.1	P	(3)	47.3	P
Tele West GmbH & CoKG	Germany		51.5	F		51.5	F
Télévente Promotion SA	France		-	NC	(3)	47.3	P
Télévision Par Satellite SNC	France	(3)	11.3	E	(3)	16.1	P
TF6	France	(3)	22.5	P	(3)	23.7	P
TF6 Gestion	France	(3)	22.5	P	(3)	23.7	P
Thames Cable and Satellite Services Ltd	UK	(2)	100,0	F		100.0	F
Ticketnet	France	(3)	15.0	P	(26)	-	NC
TPS Cinéma SNC	France	(3)	11.3	E	(3)	16.1	P
TPS Enterprises SNC	France	(3)	11.3	E	(3)	16.1	P
TPS Foot SNC	France		-	NC	(3)	16.1	P
TPS Interactif SNC (formerly TPS Services SNC)	France	(3)	11.3	E	(3)	16.1	P
TPS Jeunesse SNC	France	(3)	11.3	E	(3)	16.1	P
TPS Sport SNC	France	(3)	11.3	E	(3)	16.1	P
TPS Terminaux SNC	France		-	NC	(3)	16.1	P
Trading Team SA	Portugal		-	NC	(9)	13.1	E
Traherpa SL	Spain		-	NC	(9)	17.3	E
TVI SA	Belgium		65.8	F		65.8	F
Uniprex SA - Onda Cero Radio	Spain		-	NC	(9)	17.3	E
Unité 15 Belgique SA	France		-	NC	(3)	47.3	P
Unité 15 Fulfilment SA	France		-	NC	(3)	47.3	P
Vox Film & Fernseh GmbH & Co.KG	Germany		99.4	F		99.4	F
Yorin TV BV	Netherlands	(4)	99.7	F		99.7	F
Content							
ACI International Ltd	UK	(2)	100.0	F		100.0	F
All American Entertainment Inc	USA	(2)	100.0	F	(16)	100.0	F
All American FDF Holdings Inc	USA	(2)	100.0	F	(25)	-	NC
All American Music Group	USA	(2)	100.0	F	(16)	100.0	F
All American Netherlands BV	Netherlands	(2)	100.0	F	(16)	100.0	F
All American Orbis Inc	USA	(2)	100.0	F	(27)	-	NC
All American television Sports Inc	USA	(2)	100.0	F	(27)	-	NC
Allied Communications Inc	USA	(2)	100.0	F		100.0	F
Alomo Productions Ltd	UK	(2)	100.0	F	(21)	100.0	F
Alpha Tauri srl	Italy	(2)	100.0	F	(20)	100.0	F

		2001			2002		
	Country of incorporation	Note	Group's Ownership	Consolidated method (1)	Note	Group's Ownership	Consolidated method (1)
American Idols Productions Inc	USA		-	NC	(16)	100.0	F
Arbor TV Filmproduktion GmbH	Germany		-	NC	(7)	63.8	F
Bastino Multimedia	Italy	(8)	44.4	P	(8)	46.3	P
Be Happy Productions SAS	France	(2)	100.0	F		100.0	F
Belga Films SA	Belgium		-	NC		46.0	F
Bernesse Pty Ltd	Australia		-	NC	(19)	100.0	F
Big Fish Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
Big Smile Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
Channel Five Holdings Ltd	UK	(2)	50.0	F	(24)	50.0	F
Channel Three Ltd	UK	(2)	100.0	F	(21)	100.0	F
Clement/La Fresnais Productions Ltd	UK	(2)	100.0	F	(21)	100.0	F
CLOU Entertainment TV Produktion GmbH	Germany		55.8	F		-	NC
CLT-UFA Multi Media GmbH	Germany		99.7	F		99.7	F
COLOGNE SITCOM Produktions GmbH	Germany	(2)	50.2	F	(22)	50.2	F
COLOGNE SITCOM Verwaltung GmbH	Germany	(2)	50.2	F	(22)	50.2	F
DasEreignisReich Agentur GmbH	Germany	(2)	100,0	F	(25)	-	NC
Dedicated To Sport Sarl	France	(8)	44.4	P	(8)	46.3	P
Delux Productions SA	Luxembourg		99.7	F		99.7	F
Deutsche Synchron Film GmbH & Co KG	Germany		-	NC	(10)	50.8	F
Die Berliner Produktion GmbH	Germany		-	NC	(7)	63.8	F
European Childrens Film Corporation Ltd	Jersey	(2)	100.0	F		-	NC
Euston Films Ltd	UK	(2)	100.0	F	(24)	100.0	F
Euston Music Ltd	UK	(2)	50.0	F		-	NC
Feudin' Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
Foot Access SA	France	(8)	44.4	P	(25)	-	NC
Football France Promotion SA	France	(8)	44.4	P	(8)	46.2	P
Fremantle (AUS) Productions Pty Ltd	Australia	(2)	100.0	F	(11)	100.0	F
Fremantle (D) Fernsehproduktions GmbH	Germany	(2)	100.0	F	(25)	-	NC
Fremantle (UK) Productions Ltd	UK	(2)	100.0	F		100.0	F
Fremantle de Espana SL	Spain	(2)	100.0	F	(11)	100.0	F
Fremantle Entertainment OY	Finland	(2)	50.8	F		100.0	F
Fremantle France Productions Sarl	France	(2)	100.0	F		100.0	F
Fremantle Goodson Inc	USA	(2)	100.0	F	(16)	100.0	F
Fremantle Hellas EPE	Greece	(2)	100.0	F		100.0	F
Fremantle Hellas SA	Greece	(2)	60.0	F		60.0	F

	Country of incorporation	2001 Note	2001 Group's Ownership	2001 Consolidated method (1)	2002 Note	2002 Group's Ownership	2002 Consolidated method (1)
Fremantle India TV Productions Pvt Ltd	India	(2)	100.0	F		100.0	F
Fremantle International Inc	USA	(2)	100.0	F	(16)	100.0	F
Fremantle Licensing Germany GmbH (formerly Geo Film GmbH)	Germany	(6)	99.7	F	(6)	99.7	F
Fremantle Licensing Ltd	UK	(2)	100.0	F		100.0	F
Fremantle Marketing GmbH	Germany	(2)	100.0	F	(25)	-	NC
Fremantle Media Australia Pty Ltd	Australia	(2)	100.0	F	(14)	100.0	F
Fremantle Merchandising Inc	USA	(2)	100.0	F	(16)	100.0	F
Fremantle Music Publishing Int. Ltd	UK	(2)	100.0	F	(15)	100.0	F
Fremantle Nederland Produkties BV	Netherlands	(2)	100.0	F	(17)	100.0	F
Fremantle Polska Sp.Zo.O	Poland	(2)	100.0	F		100.0	F
Fremantle Portugal Producoes TV Ltd	Portugal		-	NC		100.0	F
Fremantle Productions (South Africa) (PTY) Ltd	South Africa	(2)	100.0	F		100.0	F
Fremantle Productions AB	Sweden	(2)	100.0	F		100.0	F
Fremantle Productions Argentina SA	Argentina	(2)	100.0	F	(12)	100.0	F
Fremantle Productions Asia Ltd	Hong-Kong	(2)	100.0	F		100.0	F
Fremantle Productions Asia Pte Ltd	Singapore	(2)	100.0	F		100.0	F
Fremantle Productions Belgium NV	Belgium	(2)	100.0	F		100.0	F
Fremantle Productions Brazil Ltda	Brazil	(2)	100.0	F	(17)	100.0	F
Fremantle Productions Chile Ltda	Chile	(2)	99.0	F		99.0	F
Fremantle Productions Denmarks Aps	Denmark	(2)	100.0	F		100.0	F
Fremantle Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
Fremantle Productions Latin America Inc	USA	(2)	100.0	F		100.0	F
Fremantle Productions North America Inc	USA	(2)	100.0	F	(16)	100.0	F
Fremantle Productions Oy	Finland	(2)	100.0	F		100.0	F
Fremantle Productions SA	Greece	(2)	100.0	F		100.0	F
FremantleMedia (Netherlands) BV	Netherlands	(2)	100.0	F	(17)	100.0	F
FremantleMedia Animation Ltd (formerly EVA Entertainment Ltd)	UK	(2)	100.0	F		100.0	F
FremantleMedia Enterprises Ltd	UK	(2)	100.0	F		100.0	F
FremantleMedia Holdings BV (formerly Grundy Holdings BV)	Netherlands	(2)	100.0	F	(17)	100.0	F
FremantleMedia Holdings Inc	USA	(2)	100.0	F		100.0	F
FremantleMedia Licensing Inc	USA	(2)	100.0	F	(11)	100.0	F
FremantleMedia Ltd	UK	(2)	100.0	F	(15)	100.0	F
FremantleMedia North America Inc (formerly Pearson Television Inc)	USA	(2)	100.0	F	(16)	100.0	F
FremantleMedia Operations BV	Netherlands	(2)	100.0	F	(17)	100.0	F
FremantleMedia Oversaes Holdings BV	Netherlands	(2)	100.0	F	(17)	100.0	F

	Country of incorporation	2001 Note	2001 Group's Ownership	2001 Consolidated method (1)	2002 Note	2002 Group's Ownership	2002 Consolidated method (1)
FremantleMedia Overseas Ltd	UK	(2)	100.0	F		100.0	F
FremantleMedia Services Ltd (formerly Little Pond Television Ltd)	UK	(2)	100.0	F		100.0	F
FremantleMedia Worldwide Ltd	UK		-	NC		50.0	F
FremantleProductions BV	Nethelands	(2)	100.0	F	(13)	100.0	F
Fresh Productions (Essex) Ltd	UK	(2)	25.0	E	(24)	24.9	E
Gdl Gie	France	(8)	44.4	P	(8)	46.3	P
Girosport SA	France	(8)	44.4	P	(25)	-	NC
Good Games Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
Grundy Consulting Ltd	Antigua	(2)	100.0	F	(17)	100.0	F
Grundy Entertainment Pty Ltd	Australia		-	NC	(19)	100.0	F
Grundy Europe SA	Luxembourg	(2)	100.0	F	(27)	-	NC
Grundy European Holdings Ltd	Bermuda	(2)	100.0	F	(17)	100.0	F
Grundy Film Financing Ltd	Australia	(2)	100.0	F	(19)	100.0	F
Grundy Films Pty Ltd	Australia	(2)	100.0	F	(19)	100.0	F
Grundy France Eurl	France	(2)	100.0	F		100.0	F
Grundy Guilherme Programas Ltda	Portugal	(2)	50,0	F	(17)	50.0	E
Grundy Holdings (Australia) Ltd	Antigua	(2)	100.0	F	(17)	100.0	F
Grundy International Distribution BV	Netherlands	(2)	100.0	F	(17)	100.0	F
Grundy International Holdings (I) BV	Netherlands	(2)	100.0	F	(17)	100.0	F
Grundy International Holdings (II) BV	Netherlands	(2)	100.0	F	(17)	100.0	F
Grundy International Holdings (NA) NV	Netherlands Antilles	(2)	100.0	F	(17)	100.0	F
Grundy International Operations Ltd	Netherlands	(2)	100.0	F	(17)	100.0	F
Grundy Light Entertainment GmbH	Germany	(2)	100.0	F		-	NC
Grundy Light Entertainment GmbH (formerly HDTV-Entert. Dressler GmbH)	Germany	(6)	99.7	F	(18)	99.7	F
Grundy Light Entertainment/White Balance GmbH GBR	Germany		-	NC	(18)	50.0	E
Grundy Magyarorszag TV Musorg Kft	Hungary	(2)	100.0	F		100.0	F
Grundy Music Services Inc	USA	(2)	100.0	F	(16)	100.0	F
Grundy Organization (Holdings) Pty Ltd	Australia	(2)	100.0	F	(19)	100.0	F
Grundy Organization Pty Ltd	Australia	(2)	100.0	F	(19)	100.0	F
Grundy Production Services SAM	Monaco	(2)	100.0	F	(17)	100.0	F
Grundy Productions ARG SA	Argentina	(2)	100.0	F	(12)	100.0	F
Grundy Productions Italy Spa	Italy	(2)	100.0	F	(20)	100.0	F
Grundy Productions KK	Japan	(2)	100.0	F	(17)	100.0	F
Grundy Productions Ltd	UK	(2)	100.0	F		100.0	F
Grundy Productions Ltd IRL	Ireland	(2)	100.0	F	(17)	100.0	F

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Grundy Productions SA de CV	Mexico	(2)	100.0	F		100.0	F
Grundy television Pty Ltd	Australia	(2)	100.0	F	(19)	100.0	F
Grundy Travel Pty Ltd	Australia	(2)	100.0	F	(19)	100.0	F
Grundy UFA TV Produktions GmbH	Germany	(6)	99.7	F	(6)	99.7	F
Grundy Worldwide Ltd	Bermuda	(2)	100.0	F	(17)	100.0	F
Grundy/JE Productions VOF	Netherlands	(2)	50.0	F	(13)	50.0	E
Gyula Trebitsch Fernsehproduktion GmbH	Germany		-	NC	(7)	63.8	F
HD Thames Ltd	UK	(2)	24.0	E	(15)	100.0	F
Hei Elei Film Productions SA (formerly IFP SA)	Luxembourg		99.7	F		99.7	F
House of Talent GmbH	Germany	(6)	92.1	F	(6)	99.7	F
I2I Musikproduktions & Musikverlags GmbH	Germany		99.7	F		99.7	F
Itsago Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
Janus Pearson TV GmbH	Germany	(2)	50.0	F	(18)	50.0	E
JOHO Services BV	Netherlands		-	NC	(8)	23.1	P
Kickoff Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
LBS Communications Inc	USA	(2)	100.0	F	(16)	100.0	F
Les Productions Grundy SA	France	(2)	100.0	F	(25)	-	NC
Little Pond Television Inc	USA	(2)	100.0	F	(16)	100.0	F
Little Pond Television Ltd	UK	(2)	100.0	F	(21)	100.0	F
Magyar Grundy UFA KFT	Hungary	(6)	99.7	F	(6)	99.7	F
Mark Goodson Productions LLC	USA	(2)	100.0	F	(16)	100.0	F
Mastrofilm srl	Italy	(2)	100.0	F	(20)	100.0	F
Media - Foot Belgique srl	Belgium	(8)	44.4	P	(8)	46.2	P
Media Sales Ltd	UK	(2)	50.0	F		-	NC
MG Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
MOVE Sportspromotion GmbH	Germany		-	NC	(8)	46.3	P
Moving Pictures Inc	USA	(2)	100.0	F	(16)	100.0	F
Multimedia Global Finance SA	Luxembourg	(8)	44.4	P	(8)	46.3	P
New Media Film- & Fernsehproduktion GmbH	Germany	(6)	99.7	F	(6)	99.7	F
Not Any Old Radio Commercials Ltd	UK	(2)	100.0	F	(23)	100.0	F
Nusport SNC	France	(8)	22.2	P	(27)	-	NC
Objectif Ouest Sarl	France		-	NC	(8)	23.1	P
Objektiv Film GmbH	Germany		-	NC	(7)	63.8	F
OTL Productions Inc	USA	(2)	100.0	F	(16)	100.0	F

	Country of incorporation	2001 Note	2001 Group's Ownership	2001 Consolidated method (1)	2002 Note	2002 Group's Ownership	2002 Consolidated method (1)
Palais des Sports de Toulouse SA	France	(8)	44.4	P	(8)	46.3	P
Pantheon Film GmbH & Co Produktions KG	Germany		-	NC	(10)	50.8	F
Pearson TV Services CV de SA	Mexico	(2)	100.0	F		-	NC
Phöbus Film GmbH & Co Produktions KG	Germany		-	NC	(10)	50.8	F
Phönix Film Karlheinz Brunnemann GmbH & Co KG	Germany		-	NC	(10)	50.8	F
Phönix Geschäftsführungs GmbH	Germany		-	NC	(10)	99.7	F
Premium Pictures Ltd	UK	(2)	50.0	F	(15)	50.0	F
Producciones Fremantle SA	Spain	(2)	100.0	F		100.0	F
PS Entertainment Inc	USA	(2)	100.0	F	(16)	100.0	F
PT Dunia Visitama	Indonesia	(2)	100.0	F		100.0	F
PTV Dormant Ltd	UK	(2)	100.0	F	(21)	100.0	F
Real Film GmbH	Germany		-	NC	(7)	63.8	F
Reg Grundy Produceos de TV SA	Portugal	(2)	99.9	F	(11)	100.0	F
Reg Grundy Productions Holdings Inc	USA	(2)	100.0	F	(16)	100.0	F
Reg Grundy Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
Regent Productions Ltd	UK	(2)	100.0	F		100.0	F
RTL 4 Productions BV	Netherlands	(4)	99.7	F		99.7	F
RTL AllRights GmbH (fomerly Andreas Geier Entertainment GmbH)	Germany		-	NC		99.7	F
RTL Group Ltd	UK	(2)	100.0	F		100.0	F
RTL UK Holdings SA	Luxembourg	(2)	100.0	F		100.0	F
Rugby France Promotion SA	France	(8)	44.3	P	(25)	-	NC
Santa Monica Sound Recorders Inc	USA	(2)	100.0	F	(16)	100.0	F
SBSVTV Inc	USA	(2)	100.0	F	(16)	100.0	F
SEDS SA	France	(8)	44.4	P	(8)	46.3	P
Select TV Communications Cons Ltd	UK	(2)	100.0	F	(21)	100.0	F
Select TV International Ltd	UK	(2)	100.0	F	(21)	100.0	F
Select TV Ltd	UK	(2)	100.0	F	(21)	100.0	F
SNC SA	France		99.7	F		99.7	F
Sport+ UK Ltd	UK	(8)	44.4	P	(8)	46.3	P
Sportfive Asia Sdn. Bhd.	Germany		-	NC	(8)	46.3	P
Sportfive GmbH (formerly UFA Sports GmbH)	Germany	(8)	44.4	P	(8)	46.3	P
Sportfive International Ltd	France		-	NC	(8)	46.3	P
Sportfive SA (formerly Groupe JC Darmon SA)	France	(8)	44.4	P	(8)	46.3	P
Sportfive Sulamerica Ltda	Brazil		-	NC	(8)	46.3	P

	Country of incorporation	2001 Note	2001 Group's Ownership	2001 Consolidated method (1)	2002 Note	2002 Group's Ownership	2002 Consolidated method (1)
Sportfive Tixx GmbH	Germany		-	NC	(8)	46.3	P
Sportfive Turkey	France		-	NC	(8)	45.8	P
Sports Rights Acquisition BV	Netherlands	(8)	44.4	P	(8)	46.3	P
Stanias Securities Company UK	UK	(2)	100.0	F	(27)	-	NC
START Television Produktions GmbH	Germany	(2)	100.0	F	(22)	100.0	F
Stormy Entertainment GmbH	Germany		65.3	F		65.3	F
Talkback (UK) Productions Ltd	UK		-	NC		100.0	F
Talkback Productions Ltd	UK	(2)	100.0	F	(23)	100.0	F
Teamworx Produktion für Kino & Fernsehen GmbH	Germany	(6)	76.8	F	(6)	99.7	F
Terrapin Communications Inc	USA	(2)	100.0	F	(16)	100.0	F
Terrapin Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
Thames Films Ltd	UK	(2)	100.0	F	(24)	100.0	F
Thames Television Animation Ltd	UK	(2)	100.0	F	(24)	100.0	F
Thames Television Holdings Ltd	UK	(2)	100.0	F		100.0	F
Thames Television Ltd	UK	(2)	100.0	F	(24)	100.0	F
Thames Television Services Ltd London	UK	(2)	100.0	F	(24)	100.0	F
The Baywatch Nights Productions Company	USA	(2)	100.0	F	(16)	100.0	F
The Baywatch Productions Company	USA	(2)	100.0	F	(16)	100.0	F
The Malibu Branch Production Company	USA	(2)	100.0	F	(16)	100.0	F
The Price is Right Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
The Spring Collection Production Company	USA	(2)	100.0	F	(16)	100.0	F
Tick Tock Productions Inc	USA		-	NC	(16)	100.0	F
TPI Trebitsch Produktion International GmbH	Germany		-	NC	(7)	63.8	F
Trebitsch Media AV GmbH	Germany		-	NC	(7)	63.8	F
Trebitsch Produktion Holding GmbH	Germany		-	NC	(7)	63.8	F
Trebitsch Produktion Holding GmbH & Co.KG	Germany		-	NC	(7)	63.8	F
Truth Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
UFA - Fernsehproduktion GmbH	Germany	(6)	99.7	F	(6)	99.7	F
UFA - Filmproduktion GmbH	Germany	(6)	99.7	F	(6)	99.7	F
UFA Entertainment GmbH	Germany	(6)	99.7	F	(6)	99.7	F
UFA Film & Fernseh GmbH	Germany		99.7	F		99.7	F
UFA Film & Medienproduktion GmbH	Germany	(6)	99.7	F	(6)	99.7	F
UFA Film & TV Produktion GmbH	Germany	(6)	99.7	F	(6)	99.7	F
UFA Film Finance GmbH	Germany	(6)	99.7	F	(6)	99.7	F

	Country of incorporation	2001 Note	2001 Group's Ownership	2001 Consolidated method (1)	2002 Note	2002 Group's Ownership	2002 Consolidated method (1)
UFA Film München GmbH	Germany	(6)	99.7	F	(6)	99.7	F
UFA International Film & TV Produktions GmbH	Germany	(6)	99.7	F	(6)	99.7	F
UFA Non Fiction Produktions GmbH	Germany	(6)	99.7	F	(6)	99.7	F
UFA Sports France SA	France		-	NC	(8)	46.3	P
UFA Sports Iberia SL	France		-	NC	(8)	46.3	P
UFA Sports Italia SRL	Germany		-	NC	(8)	46.3	P
UFA Sports Malaysia Sdn. Bhd.	Germany		-	NC	(8)	32.4	P
UFA Sports SP Zoo	Poland		-	NC	(8)	46.3	P
UK TV Ltd	UK	(2)	20.0	E	(14)	20.0	E
United World Productions Ltd	UK	(2)	100.0	F	(23)	100.0	F
Universum Film GmbH & CoKG	Germany		-	NC		99.7	F
VCF SA	France		99.7	F	(8)	23.1	P
Westdeutsche Universum Film GmbH	Germany	(6)	99.7	F	(6)	99.7	F
Whammy Productions Inc (formerly OHP Productions Inc)	USA	(2)	100.0	F	(16)	100.0	F
What's My Line ? Productions Inc	USA	(2)	100.0	F	(16)	100.0	F
Witzend Productions Ltd	UK	(2)	100.0	F	(21)	100.0	F
Zoo Venture Entertainment Inc	USA	(2)	100.0	F	(16)	100.0	F
Broadcasting radio							
AH Antenne Hörfunksender GmbH & CoKG	Germany		-	NC		23.9	E
Antenne Mecklenburg- Vorpommern GmbH & CoKG	Germany		-	NC		24.4	E
Antenne Niedersachsen Gesch. GmbH & CoKG	Germany		-	NC		35.9	E
Antenne Sachsen Hörfunks- und Versorgungs GmbH	Germany		-	NC		48.7	E
AVE AG	Germany		-	NC		99.7	F
AVE Gesellsch. für Hörfunkbeteiligungen GmbH	Germany		-	NC		99.7	F
AVE II Vermögensverwaltungsgesellschaft	Germany		-	NC		49.7	E
BB Radio Landeswelle Brandenburg GmbH & CoKG	Germany		-	NC		39.9	E
Blanc Bleu Communication Sarl	France		-	NC		19.9	E
Cobel D SA	Belgium		-	NC		21.3	E
Cobelfra SA	Belgium		-	NC		34.6	E
Contact Properties SA	Belgium		-	NC		24.9	E
Contact SA	Belgium		-	NC		49.7	E
Contact SAT SA	Belgium		-	NC		42.4	E
Contact Vlaanderen	Belgium		-	NC		33.9	E

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Ediradio SA	France		99.7	F		99.7	F
GvH Vermögensverwaltungsgesellschaft XV	Germany		-	NC		99.7	F
Holland FM Produkties BV	Netherlands	(4)	99.7	F		99.7	F
ID (Information et Diffusion) Sarl	France		99.7	F		99.7	F
Inadi SA	Belgium		-	NC		42.8	F
IP France SA	France		99.7	F		99.7	F
IP Régions SA	France		-	NC		99.7	F
JOKER FM SA	Belgium		-	NC		10.9	E
Radio Advertising Benelux BV	Netherlands	(4)	99.7	F		99.7	F
Radio Hamburg GmbH & CoKG	Germany		-	NC		29.1	E
Radio Karlsruhe GmbH & CoKG	Germany		-	NC		25.1	E
RB Rundfunk Beteiligungs GmbH	Germany		-	NC		49.8	E
RTL 4 Radio SA	Netherlands	(4)	99.7	F		99.7	F
RTL Fun Développement Sarl	France		-	NC		99.7	F
RTL Ireland Ltd	Ireland		99.7	F		-	NC
RTL Radio Berlin GmbH	Germany		99.7	F		99.7	F
RTL Radio Deutschland GmbH	Germany		99.7	F		99.7	F
SCP Sarl	France		99.7	F		99.7	F
SERC SA	France		99.7	F		99.7	F
Sodera SA	France		99.7	F		99.7	F
Sud Radio Services SA	France		-	NC		19.9	E
VOFR NV	Belgium		-	NC		33.9	E
YORIN FM BV (formerly Northsea Media Network BV)	Netherlands	(4)	99.7	F		99.7	F
New Media							
Channel 5 Interactive Ltd	UK	(5)	64.5	P	(5)	64.5	P
Game Channel GmbH & CoKG	Germany		99.7	F	(25)	-	NC
GZSZ Vermarktungsgesellschaft mbH	Germany		99.7	F		99.7	F
GZSZ Print Vermarktungsgesellschaft mbH	Germany		99.7	F	(25)	-	NC
IP iMedia BV	Netherlands	(4)	99.7	F		99.7	F
IP Interactive SA	France		-	NC		99.7	F
IP New Media GmbH	Germany		99.7	F		99.7	F
M6 Web	France	(3)	45.1	P	(3)	47.3	P
RTL Club GmbH	Germany		50.0	F		50.0	F

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RTL Enterprises GmbH	Germany		99.7	F		99.7	F
RTL iMedia BV	Netherlands	(4)	99.7	F		99.7	F
RTL iMedia Holding BV	Netherlands	(4)	99.7	F		99.7	F
RTL NET GmbH	Germany		99.7	F		99.7	F
RTL Net SAS	France		-	NC		99.7	F
RTL NEWMEDIA GmbH	Germany		99.7	F		99.7	F
Spott Holding BV	Netherlands	(4)	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	(25)	-	NC
B. & C.E. SA	Luxembourg		99.7	F		99.7	F
CLT-UFA Holding S.A.	Luxembourg		100.0	F		100.0	F
CLT-UFA SA (including German Branch)	Luxembourg		99.7	F		99.7	F
CLT-UFA UK Television Ltd	UK		99.7	F		99.7	F
Darpar 127 Vermoegensver GmbH	Germany		100.0	F	(25)	-	NC
Darpar 128 GmbH	Germany		100.0	F		100.0	F
IP Luxembourg Sarl	Luxembourg		-	NC		99.7	F
IP Plurimédia SA	Belgium		65.8	F		65.8	F
RTL Group Verwaltungs und Holding GmbH	Germany		100.0	F		100.0	F
Société Immobilière Bayard d'Antin SA	France		99.7	F		99.7	F
Suprafin SA	Belgium		99.7	F		99.7	F
TVi Editions SA	Belgium		-	NC		65.8	F

(1) M : Parent Company - F : Full consolidation - P : Proportionate consolidation - E : Equity accounting - NC : Not Consolidated
(2) FremantleMedia Group
(3) M6 Group
(4) HMG Group
(5) Five Group (formerly Channel 5 Group)
(6) UFA Berlin Group
(7) Trebitsch Group
(8) Sportfive Group
(9) Antena 3 De Television Group
(10) Phönix Group
(11) Fremantle Licensing Group
(12) Fremantle Productions Argentina Group
(13) Fremantle Productions Group
(14) FremantleMedia Australia Group
(15) FremantleMedia Central Group
(16) FremantleMedia North America Group
(17) FremantleMedia Productions Netherlands Group
(18) Grundy Light Entertainment Group
(19) Grundy Organisation (Holdings) Group
(20) Grundy Productions Italy Group
(21) Select TV Group
(22) START Television Produktions Group
(23) Talkback Productions Group
(24) Thames Television Group
(25) Company absorbed by a company of the Group
(26) Company sold in 2002
(27) Company liquidated

RTL Group

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