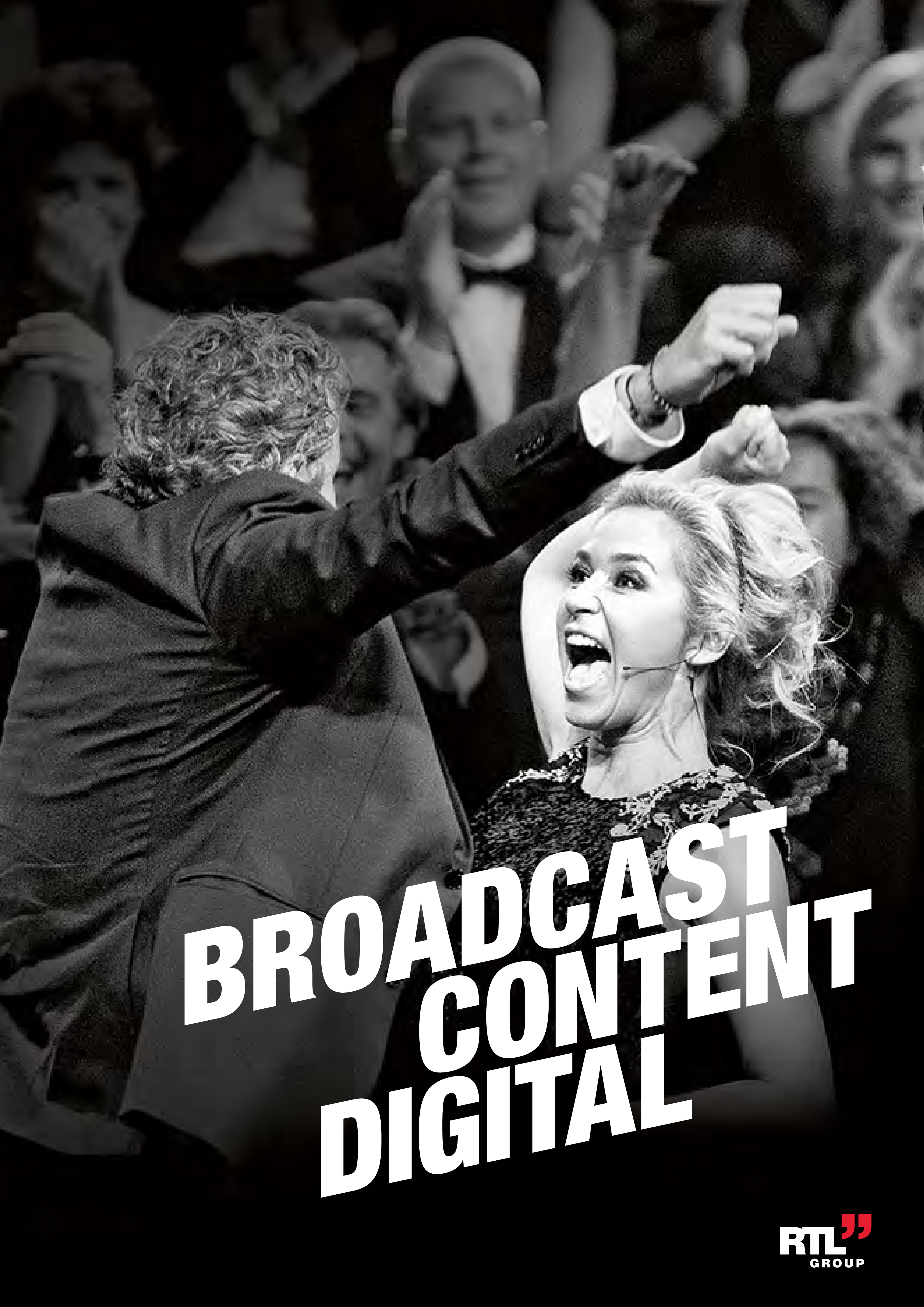
2012 ANNUAL REPORT

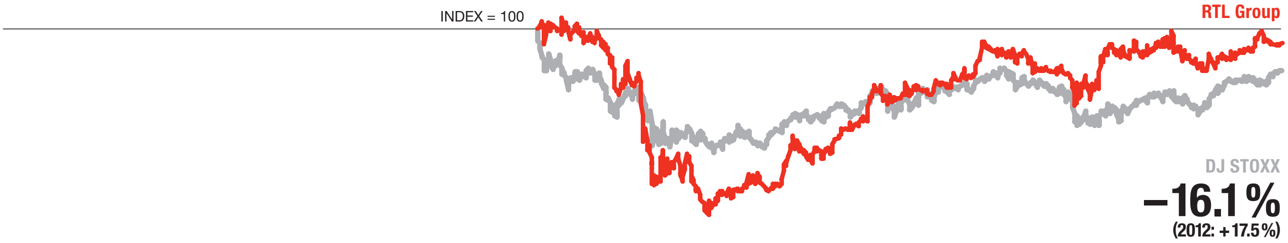
THE LEADING EUROPEAN ENTERTAINMENT NETWORK

RTL GROUP


BROADCAST
CONTENT
DIGITAL
RTL GROUP

KEY FIGURES
2008–2012

SHARE PRICE PERFORMANCE
2008–2012



REVENUE (€ million)

12	5,998
11	5,765
10	5,532
09	5,156
08	5,774

EQUITY (€ million)

12	4,858
11	5,093
10	5,597
09	5,530
08	5,871

EBITA (€ million)

12	1,078
11	1,134
10	1,132
09	796
08	916

MARKET CAPITALISATION (€ billion)*

12	11.7
11	11.9
10	11.9
09	7.3
08	6.6

*As of 31 December

NET PROFIT ATTRIBUTABLE TO RTL GROUP SHAREHOLDERS (€ million)

12	597
11	696
10	611
09	205
08	194

TOTAL DIVIDEND PER SHARE (€)

12	10.50
11	5.10
10	5.00
09	3.50
08	3.50

Dividend payout 2008–2012: €4.2 billion

2012 ANNUAL REPORT

THE LEADING EUROPEAN ENTERTAINMENT NETWORK

RTL Television's *Alarm für Cobra 11*, Germany's most popular action series, has become a hit format in some 140 countries around the globe. Since 2012, it has been one of the signature series of the newly launched action channel, Big RTL Thrill, in India

CONTENTS

Corporate information

Financial information

CHAIRMAN'S STATEMENT

THOMAS RABE
CHAIRMAN OF THE BOARD OF DIRECTORS

In 2012, RTL Group delivered solid financial results. Revenue grew by 4.0 per cent to almost €6 billion and EBITA again exceeded €1 billion. RTL Group achieved these results despite increasingly challenging conditions in some of the core European TV advertising markets.

The Board focused on discussing the transformation of the TV industry, the opportunities and challenges arising from the growing non-linear TV consumption, multiscreen services for deeper audience engagement, and technology-driven services for advertising clients. This was in addition to its ongoing responsibilities, such as reviewing financial and operating performance budgets, investment proposals, and the Group's strategy. RTL Group's new Executive Committee – consisting of Co-CEOs Anke Schäferkordt and Guillaume de Posch, and CFO Elmar Heggen – has defined, together with the management teams in the various profit centres, a clear strategy for RTL Group. We see significant growth potential in three areas: **broadcast**, **content**, and **digital**. First: we will optimise and develop our existing TV and radio broadcast businesses. Investing in our **broadcast** business is investing in growth. That's why, in 2012, RTL Group launched five new TV channels. The Big RTL Thrill channel launch in India is RTL Group's first broadcasting venture outside of Europe.

Secondly: we will develop and acquire intellectual property, and expand capabilities in our existing **content** business. Creativity remains key in the TV business. RTL Group's production arm, FremantleMedia, is one of the largest global producers of content, and represents one of the most important growth platforms for the entire Group. FremantleMedia has a global and scalable business model, and its new management team has placed a clear emphasis on fuelling its creative pipeline, developing new formats and building brands, across a range of genres.

Thirdly: we will build sustainable new **digital** business models with a strong cross-platform presence on all devices and screens. Further expansion of RTL Group's digital businesses, from catch-up TV services, mobile applications, online video advertising and thematic websites, to the first Youtube-funded niche channels, all play a major role here. Professionally produced video content is, and remains, the major driver for new digital services, devices and screens – and this is RTL Group's core competence.

2012 also saw several changes to the composition of the Board of Directors. Gerhard Zeiler decided to leave the company, effective 18 April 2012. On behalf of the Board, I would like to thank him for his great achievements over the years, and for the smooth handover of responsibilities to the new Executive Committee.

In April 2012, the Annual General Meeting of RTL Group elected Bernd Kundrun and Rolf Schmidt-Holtz as new members of the Board of Directors. Both have extensive experience in the media industry.

"In particular we reviewed the opportunities and challenges arising from the growing non-linear TV consumption, multiscreen services for deeper audience engagement, and technology-driven services for advertising clients."

My sincere gratitude also goes to Siegfried Luther, my predecessor as Chairman of the Board of Directors of RTL Group. Siegfried Luther is one of the founding fathers of today's RTL Group. And finally, I would like to thank Günther Grüger, who stepped down from RTL Group's Board of Directors following his retirement from Bertelsmann.

On 31 January 2013, the Board of Directors of RTL Group was informed that Bertelsmann is considering a reduction of its shareholding in RTL Group through a capital market transaction, while maintaining a qualified majority of approximately 75 per cent. The Board of Directors understands that a final decision will depend on a number of conditions, including a favourable capital market environment. There can consequently be no assurance as to if, when, or on what conditions Bertelsmann will offer part of its shareholding in RTL Group.

RTL Group's solid operational performance and its clear-cut strategy provide us with the necessary tailwind to further develop RTL Group as Europe's leading entertainment network. But ultimately, it's our people who inspire and inform our viewers, and who create meaningful and professional content – day after day. My thanks go to everyone who contributed to a successful 2012 – I'm looking forward to continuing RTL Group's unique success story in this spirit and invite you to accompany us on this journey.

THOMAS RABE
CHAIRMAN OF THE BOARD OF DIRECTORS

CHIEF EXECUTIVES' REPORT

ANKE SCHÄFERKORDT

CO-CEO OF RTL GROUP

GUILLAUME DE POSCH

CO-CEO OF RTL GROUP

On 19 April 2012, Anke Schäferkordt and Guillaume de Posch took over as Co-CEOs of RTL Group. In a message to all RTL Group employees, they wrote on that day: "Our Group is in great shape, and we can rely on highly creative, skilled and motivated employees. We all share the same passion: we love television, production and radio. And we know that this passion will help to lead our strong, creative and diverse entertainment network into the next phase of its development."

We met the Co-CEOs to review RTL Group's performance in 2012, and to discuss the Group's strategy.

CHIEF EXECUTIVES' REPORT

How did RTL Group perform in 2012?
Anke Schäferkordt: RTL Group has once again demonstrated that it can operate successfully even in a very challenging economic environment. For the third consecutive year, our EBITA exceeded €1 billion. Our EBITA margin was very healthy at 18.0 per cent, with all of our main broadcast operations reporting strong double-digit margins, of between 16.1 and 29.3 per cent. In our most important markets, Germany and France, our families of TV channels continued to gain advertising market share.
This ongoing success is based on RTL Group's unique set-up: we are the only pan-European free-TV group with a worldwide content production powerhouse. We have leading market positions in the countries we operate in, strong brands, and a healthy financial position. RTL Group has generated close to €1 billion of cash flow almost every year since 2007.
Guillaume de Posch: Based on our strong financials, we stepped up our investments and initiatives in our three strategic fields of broadcast, content and digital. During 2012, RTL Group successfully launched five new TV channels in five countries. We are also building a strong and rapidly growing presence in non-linear TV and exploring the field of online video networks, with our first Youtube-funded channels, produced by FremantleMedia.
Our expertise in content and creativity has already proven to be a competitive advantage for the non-linear TV world as audiences are attracted by hit formats and established brands, across all screens and devices. And for the viewers, "nothing beats free". This is why RTL Group is well positioned to develop a leading position in high-growth markets such as online video advertising.

Why was the economic environment challenging in 2012?
Guillaume de Posch: Throughout 2012, the European TV advertising markets clearly reflected local macro-economic developments: while the German TV advertising market was slightly up, the French, Dutch and Belgian markets were estimated to be down year-on-year, with a significant slowdown over the second half of the year. The markets in Spain, Hungary and Croatia continued to see a more pronounced decline.
Anke Schäferkordt: That's why it's so important to have diversified revenue streams and geographic footprint. 43 per cent of RTL Group's revenue originates from a broad range of non-advertising activities such as content production, rights trading, teleshopping, e-commerce, and merchandising. This adds a lot of stability to our Group.

Let's have a closer look at RTL Group's main operations. How did the German TV business, the Group's largest profit centre, perform in 2012?
Anke Schäferkordt: In 2012, Mediengruppe RTL Deutschland continued to outperform the German TV advertising market and increased its combined net share – including RTL II – to 44.4 per cent. Overall revenue of the profit centre grew by 3.7 per cent, mainly driven by higher TV advertising revenue from our two main channels, RTL Television and Vox. Due to ongoing cost control measures, EBITA increased strongly by 9.8 per cent to €581 million – this was the unit's best ever full-year operating profit.

Did it also continue to gain audience share?
Anke Schäferkordt: With a combined average audience share of 33.7 per cent in the key 14 to 49 target group, Mediengruppe RTL Deutschland remained 5.9 percentage points ahead of its main commercial competitor ProSiebenSat1. And RTL Television remained viewers' number-one choice for the 20th consecutive year.
However, RTL Television's audience share did not stay at the record levels of the years 2010 and 2011. But we broadly anticipated this market development.
First, the 2012 ratings were affected by major sporting events, including the Euro 2012 football championship and the Summer Olympics, both shown by public broadcasters. This is a well-known effect to us. In addition, 2012 also saw an accelerated fragmentation of the TV landscape, with the launch of new channels and the switch-off of analogue satellite broadcasting, resulting in audience share losses for all of the three biggest commercial TV channels. At the same time, niche channels –

"Based on our strong financials, we stepped up our investments and initiatives in our three strategic fields of broadcast, content and digital. During 2012, RTL Group successfully launched five new TV channels in five countries. We are also building a strong and rapidly growing presence in non-linear TV."

GUILLAUME DE POSCH

"Our ongoing success is based on RTL Group's unique set-up: we are the only pan-European free-TV group with a worldwide content production powerhouse."

ANKE SCHÄFERKORDT

those with an audience share below 2.0 per cent in the target group – increased their combined audience share by 2.3 percentage points.

In April 2012 RTL Group also launched a new free-TV channel in Germany – RTL Nitro. Are you happy with the channel's performance to date?
Anke Schäferkordt: Very much so. RTL Nitro has been the most successful channel launch in Germany in recent years. In December 2012, it already scored an audience share of 0.7 per cent among young viewers – other free-TV channels needed two years or more to do so.
And as the market continues to fragment further, we know we have to fragment ourselves. With RTL Nitro we've built an offering that complements our other channels in Germany, and the market as a whole.

Was Groupe M6 also affected by fragmentation?
Guillaume de Posch: Groupe M6 was again the only French media group to increase its total audience share year-on-year, in an environment marked by ongoing audience fragmentation. As a result of this strong performance, the combined total audience share of Groupe M6 grew to 15.5 per cent.
In the key commercial target group, M6 remained the second most popular channel in France and continued to reduce the gap to the market leader, TF1. Over the past ten years, this gap has reduced significantly, from 16.6 to 8.5 percentage points.

M6 invested in the broadcasting rights for the Euro 2012 football championship. Did this pay off?
Guillaume de Posch: M6 aired ten of the 31 matches of the Euro 2012 football championship and scored excellent ratings. The France vs Sweden match was watched by 12.2 million viewers, the channel's second-highest ratings ever, while the Ukraine vs France match was the third best audience ever for M6. These were two of the ten most-watched shows on French TV in 2012.
EBITA of Groupe M6 decreased to €224 million as a result of lower advertising revenue and the significant programming investment in Euro 2012. But let's not forget, M6 also acquired the rights for live matches in the next Euro tournament in 2016 – and this will take place in France.
This also demonstrates that we make significant investments in our core business because we strongly believe they will pay off in the medium and long term. The launch of the new family entertainment channel 6ter is another example.

Looking at RTL Group's content business. Why did FremantleMedia's revenue increase so strongly in 2012?
Guillaume de Posch: FremantleMedia posted a significant increase in revenue, of 19.7 per cent. This was driven by three key factors: organic growth in the US, UK, Germany and Asia-Pacific, exchange rate effects – a stronger US dollar and British pound against the Euro – and recharges without margin to third parties for certain production contracts in the United States.
Despite this revenue growth, FremantleMedia's EBITA – which was affected by positive and negative one-off effects in 2012 – was slightly down to €138 million, mainly due to the loss of some programming, such as *Masterchef Australia*, and also due to continued pressure from broadcasters on margins.

What about the broadcast families in the Netherlands and Belgium?
Guillaume de Posch: Our broadcast operations in the Netherlands and Belgium remained clear audience and advertising market leaders, and again generated solid levels of profitability. And the same is true for our French radio family.

Turning to RTL Group's strategy. What are your plans for the future growth of the Group?
Anke Schäferkordt: Directly after taking over as joint CEOs of RTL Group in mid-April 2012, we conducted a comprehensive review of our corporate strategy.

CHIEF EXECUTIVES' REPORT

"The digital transformation of the TV industry is hugely important for us at RTL Group – simply because we want to be wherever our viewers are. The value of our established TV formats and brands is key to building new business models with a strong presence across all digital devices and screens."

ANKE SCHÄFERKORDT

Together with the management teams in our operations we have defined three main investment areas: broadcast, content, and digital. Regarding the broadcast business, our main goal is to optimise and develop the existing operations and to invest for growth. This includes launching new channels such as RTL Nitro, 6ter and RTL Telekids, and increasing distribution revenue from platform operators. We see the opportunity to develop a fair revenue share for our brands and programmes from the major distribution platforms – cable network operators, satellite companies and internet TV providers.

Guillaume de Posch: Selective geographical expansion in high-growth regions also remains on RTL Group's agenda. All of us agreed in our first meeting that we will continue trying to expand our footprint in broadcasting – but selectively. In November 2012, RTL Group launched its first TV channel outside Europe, Big RTL Thrill, in India. The action entertainment channel targeted at male audiences is part of a 50/50 joint venture with Reliance Broadcast Network, and the initial feedback from viewers is promising.

As for content, we will further develop and acquire intellectual property and exploitation capabilities in areas such as general entertainment, US drama, kids entertainment, gaming and online video networks. FremantleMedia will be key for this strategic goal, and we'll continue growing our content arm through a combination of organic growth and acquisition.

In July 2012, Cécile Frot-Coutaz took over from Tony Cohen as CEO of FremantleMedia. Has this changed the strategy of RTL Group's production arm?

Guillaume de Posch: First, I'd like to thank Tony Cohen for his outstanding achievements. He transformed FremantleMedia from a collection of individual entities into a global content powerhouse. I asked Cécile Frot-Coutaz to take over as CEO.

After being with the group for 17 years, she has the vision and leadership needed to further grow FremantleMedia. She brings expertise and drive from the US – the largest TV market in the world – and combines her creative skills as a producer with a sharp business perspective. Under her leadership, FremantleMedia's new management team has swiftly put a clear focus on fuelling the company's creative pipeline, developing new formats and building brands, across a broad range of genres, while maintaining market leadership in its core business areas.

'Digital transformation' remains a widely discussed topic in the media business. What are your plans for the digital world?

Anke Schäferkordt: First of all, TV is already an all-digital business with very strong fundamentals. New technology has always improved the TV viewing experience. Today's TV sets are bigger, thinner and – thanks to HD – sharper than ever before. And they continue to take centre stage in people's living rooms.

The digital transformation of the TV industry is hugely important for us at RTL Group – simply because we want to be wherever our viewers are. The value of our established TV formats and brands is key to building new business models with a strong presence across all digital devices and screens.

And so we have analysed in detail current trends in non-linear video, online and mobile advertising, content verticals and new online business models, such as gaming. Our own estimates suggest overall TV consumption will continue to grow. By 2015 we believe non-linear viewing could represent 10 per cent of total viewing time in Western Europe.

Based on these strengths, RTL Group has many growth opportunities in the digital media world. In recent years, we have successfully built and expanded our video-on-demand services. Driven by our big entertainment shows and strong brands, our network of websites and catch-up TV services generated 2.4 billion video views in 2012. In addition, the Youtube channels from FremantleMedia have registered 4.5 billion hits, making them global entertainment destinations.

Guillaume de Posch: This growth of non-linear is driven by a significant viewing shift online, from movies to TV episodes.

Therefore, we have to actively shape this business and leverage our strong brands. Securing rights, being available on all screens and measuring all viewing, and also stronger collaboration across RTL Group – these are the main responses the management teams from Corporate and the profit centres are currently discussing and working on.
We will clearly remain a content company, but we are also actively building our capabilities in both technology and online advertising sales. The acquisition of Videostrip is a good example – it's the Netherland's leading online video advertising network, which generated 1.3 billion video views and delivered 392 million ads in 2012.

So advertising will also be RTL Group's main revenue source in the online world?
Anke Schäferkordt: The majority of our on-demand services, such as RTL Now and M6 Replay, are free to the consumer, financed through advertising – as with our main TV operations. But the rapid development of new technologies also means we can adapt the way we sell advertising on these new platforms. Undoubtedly, the 30-second TV commercial will remain indispensable, for it reaches mass audiences in a very short time span. But we will also develop new, complementary forms of advertising targeted at individual viewers. This is a long-term aspiration, but we're confident that technology will increasingly allow it. In parallel, we are already exploring other sources of revenue from on-demand, such as transaction and subscription-funded services.

What is your outlook for 2013?
Guillaume de Posch: Looking to 2013, economic conditions remain challenging, in line with local market conditions, and visibility continues to be limited. Facing this environment, we have a clear focus on maintaining our leadership positions and achieving our financial targets, while pursuing opportunities in broadcasting, content and digital which will develop the business further in future years.

Finally, at the end of January 2013, it was announced that Bertelsmann is considering a reduction of its shareholding in RTL Group. What is your view?
Anke Schäferkordt: We welcome that Bertelsmann has clearly expressed it will remain a committed and supportive majority shareholder of RTL Group, believing in the future growth prospects of our company. And indeed: in recent years our results have repeatedly demonstrated that RTL Group is a very attractive business, generating value for our shareholders.
Above all, we have dedicated employees and experienced management teams. In our business, people are the most important asset. They make the difference. In other words: their creativity, motivation and passion for programming are the reason we are in great shape today.
Guillaume de Posch: Based on these strengths, we have defined a clear strategy to continue our success story, as we explain in more detail in this Annual Report. We are happy that both our majority shareholder and Board of Directors clearly support our strategy to pursue these opportunities.

"Looking to 2013, economic conditions remain challenging. Facing this environment, we have a clear focus on maintaining our leadership positions and achieving our financial targets, while pursuing opportunities in broadcast, content and digital."

GUILLAUME DE POSCH

PROFIT CENTRES AT A GLANCE

Mediengruppe RTL Deutschland

	2012	2011
Revenue	**€1,982 m**	€1,912 m
EBITA	**€581 m**	€529 m
Advertising market share	**44.4 %**	43.7 %
Audience share*	**33.7 %**	35.0 %

** Target: 14 – 49*

FremantleMedia

	2012	2011
Revenue	**€1,711 m**	€1,429 m
EBITA	**€138 m**	€143 m

RTL Belgium

	2012	2011
Revenue	**€210 m**	€216 m
EBITA	**€45 m**	€46 m
Advertising market share	**71.5 %**	71.0 %
Audience share*	**36.3 %**	37.8 %

** Target: shoppers 18 – 54 (17 – 23h)*

Groupe M6

	2012	2011
Revenue	**€1,387 m**	€1,421 m
EBITA	**€224 m**	€249 m
Advertising market share	**24.0 %**	23.4 %
Audience share*	**22.9 %**	23.0 %

** Target: housewives < 50 (including digital channels)*

RTL Nederland

	2012	2011
Revenue	**€431 m**	€491 m
EBITA	**€97 m**	€134 m
Advertising market share	**47.3 %**	47.7 %
Audience share*	**32.3 %**	35.2 %

** Target: 20 – 49 (18 – 24h)*

RTL Radio (France)

	2012	2011
Revenue	**€180 m**	€184 m
EBITA	**€30 m**	€30 m
Advertising market share	**26.1 %**	26.4 %
Audience share*	**18.3 %**	19.2 %

** Target: 13+*

RTL Klub

	2012	2011
Revenue	**€101 m**	€99 m
EBITA	**€9 m**	€15 m
Advertising market share	**54.0 %****	47.9 %
Audience share*	**37.3 %**	40.7 %

** Target: 18 – 49 (prime time)   ** Including seven cable channels*

RTL Hrvatska

	2012	2011
Revenue	**€31 m**	€37 m
EBITA	**€(9) m**	€0 m
Advertising market share	**36.8 %**	40.9 %
Audience share*	**24.3 %**	25.5 %

** Target: 18 – 49 (including digital channel RTL 2)*

RTL Radio Deutschland

	2012	2011
EBITA	**€12 m**	€11 m

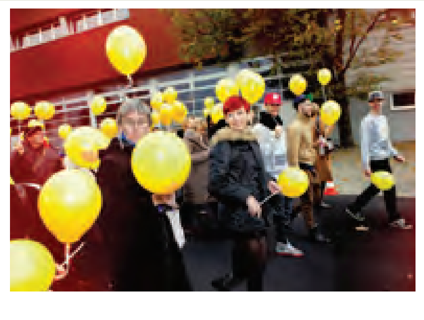
Grupo Antena 3

	2012	2011
EBITA (Group contribution)	**€6 m**	€20 m
Advertising market share	**35.2 %**	30.5 %
Audience share*	**19.2 %**	18.4 %

** Target: 16 – 54 (including digital channels, but excluding La Sexta)*

Mareile Höppner, Wolfram Kons, Nazan Eckes and Raúl Richter were on hand to help raise a record €8.8 million at the 2012 RTL Spendenmarathon.

ACTION SPEAKS LOUDER THAN WORDS



RTL Klub's news anchor, Antónia Erős (centre), organised events for her diabetes foundation Egy Csepp Figyelem (One Drop Of Notice) to raise awareness in Hungary.

At RTL Group we don't just talk about making a difference, we put our words into action. We believe making a real difference, by giving back together, helps make the world a better place for everyone.

Arsène Burny, Chairman of the Télévie commission at the FNRS, thanks everyone for raising a record €8.4 million at Télévie 2012.

Actress and director Zabou Breitman chats to the Nyangatom Ethiopian tribes people in documentary *Rendez-vous en Terre Inconnue*, broadcast on RTL-TVI.

104.6 RTL Berlin's Gerlinde Jänicke (right) and Thomas Koschwitz (2nd from right) helped listeners collect €90,000 and warm clothes for Berlin's homeless.

RTL Radio France employees took part in the annual La Parisienne women-only charity run in Paris with the aim of raising money for cancer charities.

Charity Cé Ke Du Bonheur gets help from M6's Valérie Damidot and her *D&CO* team refurbishing a children's hospital.

Staff at RTL Group headquarters had the chance to try out the environmentally friendly Renault Twizy during RTL Group's 5th environMINDday.

In Luxembourg, the Télévie ‘Dream Team’ organised a football match to raise money for Télévie 2012.

Spain’s Antena 3 Una gota una Vida (A Drop, A Life) foundation raised over €185,000 to provide clean water to children in Senegal.

Singer Joey Kelly (left) celebrates raising €120,000, and breaking a Guinness world record, with Spendenmarathon host Wolfram Kons.

Low-emission scooters ready for testing by Mediengruppe RTL Deutschland employees on environMINDday.

Claude Schmit (right) hands over the €12,000 raised during Super RTL’s 5th ‘Toggo Kinder helfen Kindern’ campaign, for German food charity Bundesverband Deutsche Tafel.

Télévie 2012 raised a record amount for scientific research in Belgium and Luxembourg.

Celebrity Wir helfen Kindern mentor, comedian Mario Barth, entertains kids at the RTL Children’s House in Berlin.

CORPORATE RESPONSIBILITY COUNCIL
AT RTL GROUP, WE CARE.

MESSAGE FROM ROMAIN MANNELLI

Chairman of the RTL Group Corporate Responsibility Council (CRC)

In recent years, consumers, the media, governments and NGOs have all raised the expectation for companies to act as better corporate citizens, calling on them to be more socially and environmentally responsible, and practise greater transparency. In light of this, we launched our CRC in March 2012 with the aim of advancing environmental, social and governance matters at RTL Group. Among many other things, it's the job of the Council to monitor and coordinate our efforts, and foster a common understanding of corporate responsibility, and of course ensure we comply with all regulations.

Embracing corporate responsibility stands in contrast to the widely articulated view that TV has a negative impact on society. As both an opinion former and information provider, we are aware of the special relationship between the media business and society. That's why we are committed to providing our audiences with high quality content, accessible to everyone. We also acknowledge that, as one of Europe's foremost media organisations, RTL Group is in an excellent position to help raise money for charity, promote good causes and heighten awareness of important issues around the world. And although RTL Group is not a major polluter, we are aware of our energy consumption and take steps to minimise our environmental impact.

The Council comprises eight representatives from RTL Group's Corporate Centre, with expertise in the different areas the CRC deals with – such as environmental protection, ethics and compliance, diversity and corporate governance, and their implications on human resources, investor relations and communications.

We have so many great initiatives at different levels in the Group, and at various locations. Therefore our focus in 2013 will be to bring all these activities together and provide a clear view of where we stand with regards to corporate responsibility. The idea is also to create a platform for exchanging knowledge and sharing best practice throughout the Group's decentralised operations, rather than dictate from the Corporate Centre. This way we can facilitate co-operation between our profit centres and ensure the long-term development of corporate responsibility initiatives throughout the whole Group.

"We launched our CRC in March 2012 with the aim of advancing environmental, social and governance matters at RTL Group."

ROMAIN MANNELLI,
CHAIRMAN, RTL GROUP CORPORATE RESPONSIBILITY COUNCIL

CARING FOR THE CHILDREN OF THE WORLD

Every day, approximately 19,000 children around the world die from preventable diseases through lack of vaccinations, mosquito nets or clean water. We believe this figure should be zero. That's why RTL 4's *RTL Boulevard* hosted an action week for the Unicef campaign 'We Gaan Voor Nul!' (Believe In Zero). Special reports revealed child mortality, how Unicef is fighting it, and the difficulties they face. Presenter Albert Verlinde travelled to an emergency aid warehouse in Denmark with Unicef ambassador Monique van de Ven, while the channel showed special broadcasts on *Life 4 You* and *Koffietijd*, and launched an appeal where each SMS received paid for five child measles vaccinations.

Children were also at the heart of Super RTL's fifth annual 'Toggo Kinder helfen Kindern' campaign. Germany's most watched kids and family channel encouraged youngsters to donate toys to the underprivileged at Christmas. Over 10,000 parcels were received, sorted and redistributed to needy German families through Bundesverband Deutsche Tafel, the food bank charity, who also received a donation of €12,000, after Super RTL pledged one euro for every toy parcel collected. Super RTL Managing Director Claude Schmit, who presented the cheque at the Mediengruppe RTL Deutschland headquarters, commented: "We are delighted with the high number of participants, as it enables us to bring joy to many children again this year."

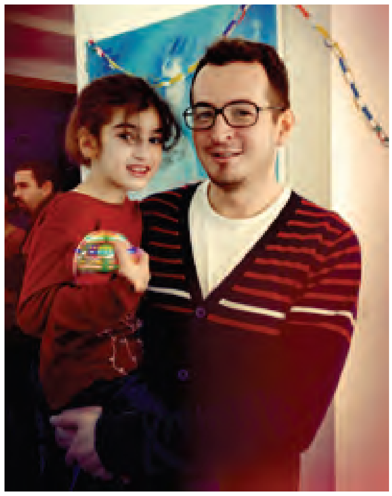
SIDACTION

This year Groupe M6 again helped Sidaction in their fight against Aids. For a week in March 2012 they opened the airwaves to Sidaction's awareness campaign, helping raise funds through both TV spots and multimedia platforms. W9 helped out too, broadcasting an edition of the home improvement programme *D&CO* featuring the 'Amis du bus des femmes', a sex-workers support association backed by Sidaction, and others.

COMMIT AWARDS

The RTL Commit Awards for Integration celebrated their fifth year with 220 students tackling the theme 'We understand each other?!'. Winners included Thabea-Christin Schultz, 17, for her film *1000 Gedanken – ein Ziel* (1,000 Ideas – One Goal), depicting multicultural life at her Berlin school, for which she received a non-cash prize and an internship at a Mediengruppe RTL Deutschland company. Claas Relotius and Mareike Müller also won in the Young Journalists category, for *Luftschloss Europa* (Europe, Castle In The Air) which explored the lives of African refugees in southern Spain. The awards were presented at a ceremony at RTL Television studios in Berlin. RTL Television editor-in-chief Peter Kloeppel was delighted: "We were very pleased so many students answered our call for creative ideas about integration again this year. They submitted works of amazing quality."

Matthias Sammer, Sporting Director of FC Bayern München, is an RTL – Wir helfen Kindern celebrity mentor.



Boris Miletic from RTL Televizija in Croatia helps children through the 'Be my friend' campaign.

Andrea Berg (left) and Wolfram Kons see how the €1 million RTL – Wir helfen Kindern donation helped extend the Stups children's centre in Krefeld.

M6 Mission Handicap organised the Agility Challenge during 'Disabled Workers Week' with the help of a Paralympic table tennis champion.

Radio Hamburg gave listeners the chance to donate money to help Germany's most vulnerable children.

"We are delighted with the high number of participants, as it enables us to bring joy to many children again this year."

CLAUDE SCHMIT, SUPER RTL MANAGING DIRECTOR

RTL SPENDENMARATHON

The Wir helfen Kindern foundation's 17th RTL Spendenmarathon saw celebrities and the public help raise €8.8 million, the biggest total ever. Host, and RTL Television's Charity Director, Wolfram Kons, said: "Today's record means a great deal to us. It shows trust in us has grown. I wholeheartedly thank all who've supported us."

105.5 Spreeradio auctioned celebrity items to support the Kinderküche Berlin-Moabit children's relief kitchen.

Reporters from the *African Slum Journal* visited *RTL Nieuws* to learn from their Dutch colleagues.

RTL Group employees trying out the Twizy e-car on environMINDday.

Winners Thabea-Christin Schulz and Claas Relotius receive their 2012 Commit Award from Peter Kloeppel and Maria Böhmer.

RTL Radio in France backs 'Les pièces jaunes' campaign for sick kids, presided over by former first lady Bernadette Chirac (centre) and supported by retired footballer Christian Karembeu and singer Lorie.

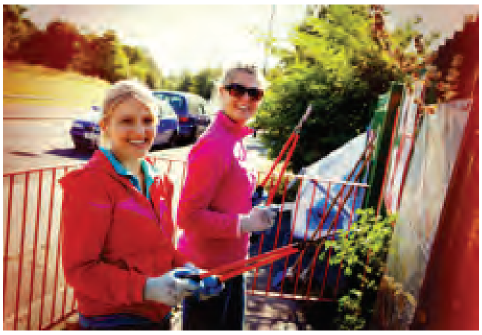
NO HANDICAP

In 2012, Groupe M6 once again celebrated diversity by opening its doors to welcome disabled job seekers during Disabled Workers Week, as part of its professional experience day 'Un Jour, un métier en action'. In addition to raising employee awareness, of the 70 guests invited since 2007, 12 have been offered employment. Head of HR Development and Mission Handicap at M6, Sébastien Fablet, believes that: "Being disabled shouldn't be a handicap. Our success stories include Yannick, who filmed a report aired on *66 Minutes*, before becoming a full-time employee."

W9 showed their commitment to disabled awareness too, airing season two of *J'en crois pas mes yeux*, a short comedy format dealing with non-visible handicaps, and *Maria la battante*, a TV film about paraplegics. They also showed clips by French performers such as Florent Pagny, Grand Corps Malade and Calogero, whose work deals with handicaps, and presenters such as Stéphane Rotenberg recording clips in sign language.

STARS OUT IN FORCE TO BACK WORTHY CAUSES

For the past 27 years the Enfoirés, a group of French artists and public figures, come together to sing and raise money for Les Restos du Coeur, a charity that distributes food to the needy. In 2012, the concert was broadcast live from Lyon on RTL Radio and the commercial TV channel TF1, as 12,000 people enjoyed appearances from stars including Jean-Louis Aubert, Yannick Noah, Garou, Jean-Jacques Goldman, Kad Merad and Karim Benzema. Recordings of the show went on sale the following day, raising €74 million, enough to provide over 100 million meals. Besides Les Restos du Cœur, RTL Radio also supported France's other main food aid organisations, with their 'Airfood Project'. The charity raises awareness of the fact that EU politicians are considering scrapping the provision of vital food aid to Europe's most vulnerable.



FremantleMedia UK employees help give Newham City Farm a makeover.

Singer Shakira is an RTL – Wir helfen Kindern celebrity mentor.

RTL Group colleagues take part in 'Bike to Work' on environMINDday.

RTL – Wir helfen Kindern celebrity mentor and football star Manuel Neuer.

TÉLÉVIE

Télévie has raised more than €125 million for research into cancer – particularly child leukaemia – in Belgium and Luxembourg since 1989. In 2012, through fundraising events, donations and a televised gala, RTL Belgium and RTL Lëtzebuerg once again joined together to raise a record €8,402,651.

Rockstars Klaus Meine and Rudolf Schenker from the band Scorpions (second and fourth from left), Minister for Culture Bernd Althusmann (pictured left) and Hannover 96 Head Coach Mirko Slomka help Hit-Radio Antenne raise money for children in need.

RTL Group's 8th Télévie Challenge saw 400 participants add €55,000 to the total.

RTL Belgium employees taking part in Télévie fundraising at the Brussels-Charleroi airport.

Chef Grégory Cuilleron gives French prisoners a cookery lesson for Fondation M6.

Comedian Florence Foresti and host Valérie Damidot refurbished a children's hospital on M6's *D&CO*.

FONDATION M6

Fondation M6 continued to help improve prison life in France, and prepare inmates to reintegrate back into society, by providing audiovisual and filmmaking courses, cultural events and football referee training. Inmates even made a 'physical activities in prison' film and attended cookery workshops.

RTL Nederland employees participated in the charity Spieren Run to raise money for good causes.

RTL – Wir helfen Kindern mentor, German actress Christine Neubauer.

Marie-Rose Armesto journalism scholarship winners Simon François, Anne-Emilie Arnault and Loïc Verheyen.

HELPING HAND FOR THE NEXT GENERATION OF JOURNALISTS AND FILMMAKERS

The Marie-Rose Armesto Scholarship, named after the sadly-missed journalist, offers final year journalism students the chance to work as part of the RTL-TVI, Bel RTL or *RTLinfo.be* team for three months. RTL Belgium's News Director Laurent Haulotte says: "We're very pleased with the quality all these candidates offered and we're delighted to welcome them to the editorial department."

In Germany, the RTL Journalistenschule (RTL School of Journalism) once again welcomed new arrivals, this year with an expanded selection process.

Peter Kloeppel, Director of the RTL School of Journalism and editor-in-chief of RTL Television, says: "This new class will again ensure competent new talent in journalism." Over the years, the school has established itself as a successful, accredited training institution with graduates finding employment either at Mediengruppe RTL or with other channels, or TV companies.

As part of a course in cooperation with Grundy UFA at the Film Academy in Ludwigsburg, students got to produce an episode of *Gute Zeiten, schlechte Zeiten* (Good Times – Bad Times).

Executive Producer Rainer Ruppert says: "Giving film students an opportunity to work under real-life conditions is an ideal way for us to interact with the next generation of filmmakers."

Now a tradition at France's RTL Radio, the Jean-Baptiste Dumas grant rewards the most promising students in journalism each year, and a dozen budding journalists reported on the French Presidential elections. First-prize winner, Laura Maucci, received a one-year work contract with RTL Radio.

"Giving film students an opportunity to work under real-life conditions is an ideal way for us to interact with the next generation of filmmakers."

RAINER RUPPERT, EXECUTIVE PRODUCER, GRUNDY UFA

RTL II Reporter Sandra Thier turned the spotlight on environmental health in Ghana.

environMINDday in Luxembourg – employees got to taste fair trade products.

Journalist Jean-Michel Aphatie catches a ride for RTL Radio's environMINDday.

CARING FOR EMPLOYEES

Unhealthy diets and physical inactivity are two of the biggest risks to people's health in the 21st century. Helping employees stay fit and healthy keeps RTL Group fit and healthy too, and that is the idea behind the Get Fit, Be Healthy, Eat Right and Be Zen initiatives at RTL Group headquarters in Luxembourg.

GET FIT

Breaking up the day by leaving your desk to get some exercise is a great way to relieve stress and get the heart pumping, so RTL Group offers a well-equipped, on-site fitness centre, running regular free fitness classes. More competitive colleagues enjoy football, while 38 colleagues took part in beach volleyball at the fifth Luxembourg Business Games.
Another great way to improve your physical health and mental wellbeing is running – maybe that's why the running teams grow every year. Around 30 runners now enjoy training on the cyclepaths and wide-open spaces of the Kirchberg headquarters site, and take part in races all over Luxembourg. All this running training was a great help to the 41 Group triathletes who competed in the Gérardmer Discovery Triathlon 2012.

EAT RIGHT

Staying fit and healthy is not just about exercise – the fuel we put into our bodies is vital to well-being too. Healthy eating is encouraged through the daily 'Eat Right' dish served at the company restaurant. To satisfy little cravings, there is also free fruit every morning. Vending machines dispense only 100 per cent organic and healthy products, and colleagues can have organic fruit and vegetables delivered at work.

BE HEALTHY

RTL Group was among the first companies to offer free cardiovascular screenings, and it provides other regular screening campaigns and flu vaccinations to promote and protect the health of employees at work. In November 2012, 145 colleagues took part in a body mass assessment to help them maintain a healthy weight. Company doctor Thierry Grimée also helps by recognising and tackling work-related health issues. Employees can make appointments at work, receive advice on workplace ergonomics, visual problems and stress in our medical room, and can even be referred to a specialist.

BE ZEN

Too much stress at work is counterproductive, so through a 'Be Zen' initiative, colleagues can relax and unwind in a yoga class or pay for a shiatsu massage on-site.

TRAINING AND DEVELOPMENT

Helping staff prepare for the challenges of the future by keeping their skills up-to-date is vital to the company's success. Colleagues can discuss their training needs with supervisors at any time. The 2012 Ready To Learn programme offered six high-quality, tailor-made, in-house training courses. In addition, colleagues can also propose their own personal development project, with RTL Group contributing up to €1,000 a year towards the cost of their training.

FremantleMedia UK colleagues enjoy volunteering at Newham City Farm.

Another Télévie fundraising cheque is prepared for on-air presentation.

Former gymnast Magdalena Brzeska travelled to Togo in her role as an RTL – Wir helfen Kindern mentor.

A choreographer in a wheelchair leads the Rhythm Challenge for M6 Mission Handicap.

Hit-Radio Antenne Playground SOS open their 60th playground.

EUROPEAN WORKS COUNCIL NEWS

In November 2012, having unanimously re-elected its officers, including its Chairman, Kai Brettmann, the EWC met RTL Group's new senior executive management for their biannual meeting. Here, the Voluntary Agreement, which gives the EWC certain rights of information and consultation on management issues, was extended for another five years. "The security of having a dialogue is important," Kai Brettmann believes, "it is also a sign of trust, and so we are very happy."

According to Brettmann, the topic most discussed was how RTL Group will implement digital transformation and maintain its lead in European television, and how free TV can compete with global media operators. "Nobody knows what shape the TV industry will be," he points out, "but it's important to look ahead to key issues relating to jobs and social standards."

The EWC is always in discussion with the management about any restructuring programmes in the various profit centres and, where there is no works council representation, such as in the UK, encouraging the Group to maintain the best social practices when people have to leave the company. The other major talking point this year was to consider the demographic changes in RTL Group. "People who started in commercial TV 30 years ago are reaching pension age," explains Kai Brettmann, "we need to consider issues of healthcare, motivation, and young and old working together – what you invest in wellbeing now will pay off a few years down the line."

European Works Council Chairman Kai Brettmann (standing, left) meets RTL Group management to sign the new Voluntary Agreement.

RESPONSIBLE PROGRAMMING

In 2012, RTL Group programmes explored and heightened awareness of a range of health and social issues.

In France, W9 aired a new season of reality show *Relooking extrême: Spécial Obésité* (Extreme Makeover: Weight Loss Edition) where Chris Powell spent months helping overweight women radically change their eating and exercise habits and lose up to 50 kilos, while highlighting the issue of obesity in today's society.

RTL Television's popular German series *Gute Zeiten, schlechte Zeiten* (Good Times – Bad Times) tackled another serious social issue, as the character Lilly struggled with bulimia. "Our young viewers look to a daily series like *Gute Zeiten, schlechte Zeiten* for orientation and role models," explains producer and chief writer Marie Hölker. "That implies a great deal of responsibility for us to tell the stories in a responsible way." They received storyline advice from Dick & Dünn (Thick & Thin), a charity providing counselling and treatment for people with eating disorders.

Another German series, Grundy UFA's *Verbotene Liebe* explored dementia through popular series figure Arno Brandner. German Federal Health Minister Daniel Bahr says: "I am pleased a TV series like *Verbotene Liebe* is tackling this illness, so together we can increase awareness." The writing team worked with the German Alzheimer Society on the detail of the disease, and how it affects patients and families. Grundy UFA Chief Creative Officer Guido Reinhardt says: "This disturbing story shows once again that daily series go beyond mere entertainment to handle socially relevant topics in a sensitive and responsible way."

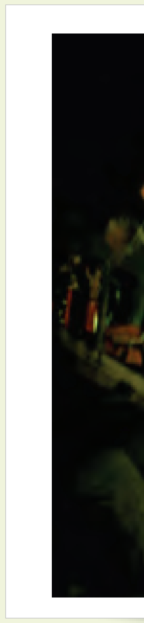
> **"I am pleased a TV series like *Verbotene Liebe* is tackling this illness, so together we can increase awareness."**
>
> DANIEL BAHR,
> GERMAN FEDERAL HEALTH MINISTER

In Belgium, RTL-TVI joined forces with the Belgian Institute for Road Safety on *Go for zéro*, informing viewers about road regulations and safety. It brings together companies, organisations, public authorities, media and the public to create safer traffic. By signing the 'Go for zéro' charter, RTL Belgium promises its programmes will never trivialise road offenses, or encourage people to commit them.

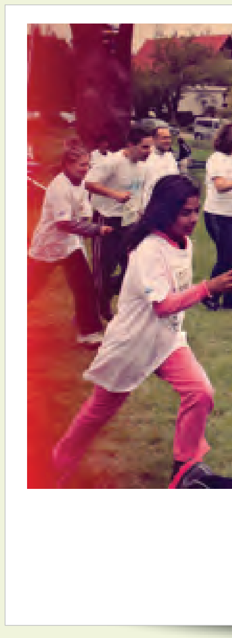
Alcoholism among women and the young was the subject of documentary investigations by *Les dossiers de Téva*, presented by Marielle Fournier, on French channel Téva. With 200,000 women in France alcohol-dependent and 41 per cent of 15 year-olds saying they have already been drunk, this major health issue is often taboo.

In Germany, RTL Television's editor-in-chief Peter Kloeppel presented a new documentary, *Armes Deutschland, reiches Deutschland – Peter Kloeppel unterwegs in einem Land der Gegensätze* (Poor Germany, Rich Germany – Peter Kloeppel On The Road In A Country Of Opposites). According to an OECD survey, the gap between rich and poor is widening faster in Germany than in any other European country. Kloeppel investigated this by travelling across the country. Other shows also focused on the issue, including *Punkt 6*, *Punkt 9*, and *Punkt 12*, and the magazine and news shows *Explosiv* and *Exclusiv*, *RTL Aktuell*, *Stern TV* and *RTL Nachtjournal*.

Outside Europe, German presenter Sandra Thier and former footballer Hans Sarpei turned the spotlight on environmental health in Ghana, on RTL II. Each year tonnes of mobiles, computers and other electrical devices end up on Ghanaian dumps, where hundreds of children breathe in carcinogenic substances as they take them apart to make a living by extracting copper.



On environMINDday, Mediengruppe RTL Deutschland looked at using more bicycles.



M6 broadcast the critically acclaimed *Wall-E*:
a warning against over-consumption and pollution.

Using pedal power to make apple juice
on environMINDday in Luxembourg.

RTL Televizija's *Ruza Vjetrova*'s
actress Marina Fernandez volunteers at
disabled kids' charity 'Angels'.

FremantleMedia UK
staff raising
money for cancer
research at
Race for Life.

RTL Klub presenter
and SOS Children Ambassador
Éva Barabás.

WHEN GREEN MATTERS

ENVIRONMINDDAY

To secure a bright future for our planet everyone must do their bit. On 5 June 2012, RTL Group marked World Environment Day by organising their fifth environMINDday. In Luxembourg, RTL Group asked colleagues to think about how acting together could tackle environmental challenges. While previous environMINDdays have targeted specific themes, such as food, transport, or our carbon footprint, this year's event focused on the employees most dedicated to the environmental cause.

Based on the principle 'No one can do everything, but everyone can do something,' the day began with volunteers taking a break from using their cars, cycling to work together for the 'Bike to Work' initiative. On arrival everyone had an organic breakfast, and lunch was an organic, locally sourced meal. Getting employees involved is vital to developing an environmental company approach, so the environMINDteam organised a 'Lunch talk' to recruit environmental volunteers and discuss actions to take onsite. "In two years, we reduced our consumption of paper by 20 per cent and video cassettes by 70 per cent, while increasing recycling by 57 per cent," says Tun Van Rijswijck, Environment Chief Officer at RTL Group. "Yet it's essential we keep up our efforts to further reduce our environmental impact."

To make our company cars more environmentally friendly, RTL Lëtzebuerg is looking at introducing Renault Twizy electric cars to its fleet. All employees got to test the vehicle, and from now on, they can use them to travel into the city for work purposes. This test period will tell us if the vehicles meet the needs of local teams.

Leading up to World Environment Day, the environMINDteam sponsored several workshops at the traditional RTL Group Garden Party, where people tried their hand at gardening, using old plastic bottles to make hanging herb and spice gardens. Children under 12 also entered an environment-themed competition to make drawings and collages from natural materials.

All over Europe, RTL Group employees embraced environMINDday. In Germany, RTL Radio Deutschland's intranet recommended prudent use of natural resources, and employees took part in activities organised by Bertelsmann in Berlin, while Mediengruppe RTL Deutschland had a day devoted to reducing paper consumption. In Belgium, the company's cafeteria menu included only food from fair-trade sources, and a poster campaign promoted everyday power-saving ideas. At RTL Nederland the company restaurant served organic meals, and computer screens displayed environmental advice. RTL Radio in France introduced the first public-service electric car-share scheme in Paris, and a subscription bike share service for employees.

ENVIRONMINDAWARD

In May 2012, members of RTL Group's environMINDteam met in Brussels to discuss environmental issues, and award a prize to RTL Belgium. RTL Belgium CEO, Philippe Delusinne said: "In 2004, we decided to build new headquarters so all RTL Belgium employees were under one roof. We took up this challenge integrating as many environmental features as possible. The outcome is beyond our expectations and I'm delighted this initiative is rewarded today. Environmental matters are part of the daily life of the company." In 2008, RTL Belgium became the first RTL Group subsidiary fully powered by renewable energy – evidence of the company's commitment to sustainable growth and careful use of natural resources. This also covers energy and waste reduction and transport, for example, subsidising employees' public transport costs and encouraging using cleaner company cars. They are also committed to broadcasting programmes raising public awareness of environmental issues.

ENVIRONMENTAL PROGRAMMING

After five years of shooting in 21 countries, *Earth* took viewers on a spectacular journey through the seasons. This sequel to *Blue Planet* was shown as part of the *What A Wonderful World* series on Paris Première. Presented by environmentalist Alexandra Cousteau it showed off the beauty of our world. They also premiered the documentary *La Terre vue du ciel* (Earth From Above) based on the book by French photographer and ecologist Yann Arthus-Bertand.

First broadcast on French television in 2004, *Rendez-vous en terre inconnue* continues to introduce viewers to remote people threatened by modern society. For the 17th edition, also broadcast on RTL-TVI, actress and director Zabou Breitman travelled to the lower Omo Valley in south-west Ethiopia. On M6's *Capital Terre*, Thomas Sotto explored the environmental impact of the 30 million new houses built worldwide every year. They examined wood houses in the Vosges, co-housing in Denmark, earthen towers in Yemen, ecological villas in Australia and high-rise buildings in Singapore.

RTL Belgium's Philippe Delusinne and Stéphane Geerts (left and centre) accept the environMINDaward from Oliver Herrgesell.

RTL – Wir helfen Kindern mentor and comedian, Bülent Ceylan.

Radio Hamburg weather presenter Anke Lothes and Audi Hamburg boss Jürgen Deforth (right) hand over a cheque to special education school Kielkamp director Stephan Berger (left).

Bülent Ceylan tries out his goalkeeping skills with the kids out on the pitch.

DOING GOOD

Younger viewers learned about the environment through Super RTL's campaign 'Caillou protects the environment!', based on their popular pre-school programme *Caillou*. Children also posted their own tips online at *Toggolino.de* and over 10,000 kindergartens in Germany received brochures full of fun environmental facts. New DVDs and audiobooks also reinforced the message.

Through the 'Hazte Eco' campaign in Spain, Grupo Antena 3 and WWF replanted forests after 180,000 hectares were destroyed by fire in 2012. They raised money, got involved in the planting, and broadcast regular reports on TV channels Antena 3, Neox, Nova and Nitro, and radio stations Onda Cero and Europa FM.

RTL-TVI presenters Sophie Pendeville and Antoine Guillaume promote safer driving on show *Go for zéro*.

OPERATIONS

	TELEVISION		
	FREE-TV	**DIGITAL PAY-TV**	**NON-LINEAR TV**
GERMANY	**RTL Television** 100%	**RTL Crime** 100%	**RTL Now** 100%
	Vox 99.7%	**RTL Living** 100%	**Vox Now** 99.7%
	RTL II 35.9%	**Passion** 100%	**RTL II Now** 35.9%
	Super RTL 50%		**Super RTL Now** 50%
	N-TV 100%		**N-TV Now** 100%
	RTL Nitro 100%		**RTL Nitro Now** 100%
FRANCE	**M6** 48.6%	**Paris Première** 48.6%	**M6 Replay** 48.6%
	W9 48.6%	**Téva** 48.6%	**W9 Replay** 48.6%
	6ter 48.6%	**Série Club** 48.6%	**6ter Replay** 48.6%
	RTL 9 35%	**TF6** 48.6%	**M6 VOD** 48.6%
		M6 Music Hits 48.6%	
		M6 Music Black 48.6%	
		M6 Music Club 48.6%	
		Girondins TV 48.6%	
NETHERLANDS	**RTL 4**[1] 100%	**RTL Lounge**[1] 100%	**RTL XL** 100%
	RTL 5[1] 100%	**RTL Crime**[1] 100%	
	RTL 7[1] 100%	**RTL Telekids**[1] 100%	
	RTL 8[1] 100%		
UNITED KINGDOM			
BELGIUM	**RTL-TVI**[1] 66%		**RTL à l'infini** 66%
	Club RTL[1] 66%		
	Plug RTL[1] 66%		
LUXEMBOURG	**RTL Télé Lëtzebuerg** 100%		**RTL Replay** 100%
	Den 2. RTL 100%		
CROATIA	**RTL Televizija** 100%		**RTL Sada** 100%
	RTL 2 100%		
SPAIN	**Antena 3** 20.5%[6]	**Gol TV** 20.5%[6]	**Antena 3 Modo Salón** 20.5%[6]
	La Sexta 20.5%[6]		
	Neox 20.5%[6]		
	Nova 20.5%[6]		
	Nitro 20.5%[6]		
	Xplora 20.5%[6]		
	La Sexta 3 Todo Cine 20.5%[6]		
HUNGARY[7]	**RTL Klub** 100%	**RTL II** 100%	**RTL Most** 100%
		Cool 100%	
		Film Plusz 100%	
		Film Plusz Two 100%	
		Prizma 100%	
		Sorozat Plusz 100%	
		Muzsika TV 100%	
NORTH AMERICA			
AUSTRALIA			
ITALY			
SCANDINAVIA			
INDIA		**Big RTL Thrill** 50%	

This chart illustrates the structure of RTL Group's principal businesses and undertakings as at 31 December 2012. The name of each company is followed by an indication of the percentage held directly or indirectly by RTL Group.

	RADIO	**CONTENT**	
TV SERVICES		**PRODUCTION[2]**	**RIGHTS**
CBC 100% **Info Network** 100%	**104.6 RTL Berlins Hit-Radio** 100% **105.5 Spreeradio** 100% **RTL Radio – Die besten Hits aller Zeiten[1]** 100% **Hit-Radio Antenne** 49.9% **Antenne Bayern** 16% **Radio Hamburg** 29.2%	**UFA Film & TV Produktion[3]** 100% **Grundy LE[3]** 100% **Grundy UFA[3]** 100% **Phoenix Group[3]** 51% **Teamworx[3]** 100% **UFA Cinema[3]** 100% **UFA Entertainment[3]** 100%	**Universum Film** 100% **UFA Sports** 75.1%
	RTL[1] 100% **RTL 2** 100% **Fun Radio** 100%	**FremantleMedia France[3]** 100% **123 Productions[3]** 100% **TV Presse[3]** 100% **20h50 Television[3]** 100% **Studio 89[5]** 48.6%	**SND[5]** 48.6%
	RTL Lounge 100%	**Blue Circle[3]** 100% **Four One Media[3]** 100% **Fremantle Productions[3]** 50%	**FremantleMedia Operations[3]** 100%
		FremantleMedia UK[3] 100%	**FremantleMedia Worldwide[3,4]** 100%
	Bel RTL 44.2% **Radio Contact** 44.2%	**FremantleMedia Belgium[3]** 100%	
BCE 100% **Enex** 76.4%	**RTL Radio Lëtzebuerg** 100% **Eldoradio** 100%		**CLT-UFA International[4]** 100%
		Fremantle Produkcija[3] 100%	
	Onda Cero 20.5%[6] **Europa FM** 20.5%[6]	**La Competencia de Producciones[3]** 100%	
		Magyar Grundy UFA[3] 100%	
		FremantleMedia North America[3] 100% **Original Productions[3]** 75% **Radical Media[3]** 62.5% **Ludia[3]** 80% **Fremantle Productions Latin America[3]** 100%	
		FremantleMedia Australia[3] 100%	
		FremantleMedia Italia[3] 100%	
		Blu, Denmark[3] 100% **Fremantle Entertainment, Finland[3]** 100% **Fremantle Sverige, Sweden[3]** 100%	
		FremantleMedia India TV Productions[3] 100%	

Principal businesses – extended list on pages 204 to 209. (1) Programmes broadcast by CLT-UFA under a Luxembourg license. (2) FremantleMedia has operations in 22 countries, including Brazil, Canada, China, India, Indonesia, Mexico, Poland, Portugal, Russia, Switzerland, and Turkey. (3) A FremantleMedia company. (4) Global. (5) A Groupe M6 company. (6) After deduction of treasury shares held by the entity. (7) Cable channel Reflektor stopped broadcasting on 1 January 2013.

HOW WE WORK

Andreas Rudas

Philippe Delusinne

Cécile Frot-Coutaz

Bert Habets

Guillaume de Posch

Anke Schäferkordt

Elmar Heggen

Nicolas de Tavernost

Dirk Gerkens

Gert Zimmer

Christopher Baldelli

Alain Berwick

Johannes Züll

Each RTL Group profit centre is led by its own CEO. This allows each to be an entrepreneur, and act quickly and flexibly in its local market. However, each profit centre can draw on the understanding and expertise of other RTL Group companies – to replicate successes, pass on ideas, and learn from mistakes. The RTL Group Corporate Centre in Luxembourg facilitates this collaboration.

Indeed, the central management sets the strategy for the Group, and this was one of the main tasks of the Executive Committee in 2012. This committee, newly reconstituted following the management change at the top of the Group, consists of three Executive Directors – that is, the two Co-CEOs and the CFO.

"The Executive Committee this year conducted a comprehensive review of our corporate strategy," says Elmar Heggen, CFO, "We have many growth opportunities, and together with the management teams in our operations, we have defined three main investment areas: broadcast, content and digital."

"We are committed to giving the Synergy Committees an even higher profile in our network of companies."

ELMAR HEGGEN, CFO OF RTL GROUP

RTL Group's Operations Management Committee (OMC) is the principal forum for Group-wide discussion and decision-making, attended by all the profit centre CEOs and senior executives from the Corporate Centre. The OMC identifies specific areas for study by Synergy Committees (Sycos), the next layer down in a classic pyramid structure.

Throughout RTL Group's decentralised organisation, these Sycos have become one of the major means for sharing information and knowledge. Executives and specialists from across the Group meet regularly to discuss matters such as market trends, new ideas and best practice in an atmosphere of trust and open discussion. Elmar Heggen confirms: "We are committed to giving the Sycos an even higher profile in our network of companies."

The Sycos each generally meet twice a year, though some are scheduled more frequently. So useful are they that the number of committees has grown over time, and now covers programming, news, radio, advertising sales, new media, business affairs, marketing research and programme research, with the facility to convene a special Syco for a specialist topic on request.

OPERATIONS MANAGEMENT COMMITTEE (OMC)

ANKE SCHÄFERKORDT	Co-Chief Executive Officer, RTL Group; Chief Executive Officer, Mediengruppe RTL Deutschland
GUILLAUME DE POSCH	Co-Chief Executive Officer, RTL Group
DAWN AIREY	President, CLT-UFA UK TV
CHRISTOPHER BALDELLI	Chief Executive Officer, RTL Radio (France)
ALAIN BERWICK	Chief Executive Officer, RTL Lëtzebuerg
OLIVER FAHLBUSCH*	Senior Vice President, Corporate Communications & Marketing, RTL Group
CÉCILE FROT-COUTAZ	Chief Executive Officer, FremantleMedia
PHILIPPE DELUSINNE	Chief Executive Officer, RTL Belgium
VINCENT DE DORLODOT	General Counsel, RTL Group
DIRK GERKENS	Chief Executive Officer, RTL Klub
ALEXANDER GLATZ	Executive Vice President, Strategy & Controlling, RTL Group
BERT HABETS	Chief Executive Officer, RTL Nederland
ELMAR HEGGEN	Chief Financial Officer, Head of the Corporate Centre, RTL Group
ROMAIN MANNELLI	Executive Vice President, HR, RTL Group
ANDREAS RUDAS	Executive Vice President, Regional Operations & Business Development CEE and Asia, RTL Group
NICOLAS DE TAVERNOST	Président du Directoire, Groupe M6
GERT ZIMMER	Chief Executive Officer, RTL Radio Deutschland
EDUARDO ZULUETA	Consultant, Managing Director, Mabuat (Spain)
JOHANNES ZÜLL	Chief Executive Officer, RTL Hrvatska

**Permanent guest*

THE BOARD

ANKE SCHÄFERKORDT

Co-Chief Executive Officer
since 18 April 2012

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

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

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

Mandates in listed companies: Member of the Supervisory Boards of BASF SE, Ludwigshafen, and of Software AG, Darmstadt

FIRST APPOINTED: 18 APRIL 2012

GUILLAUME DE POSCH

Co-Chief Executive Officer
since 18 April 2012

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

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

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

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

FIRST APPOINTED: 18 APRIL 2012

EXECUTIVE DIRECTORS

ELMAR HEGGEN

Chief Financial Officer
and Head of the Corporate Centre

Elmar Heggen, born in 1968, holds a diploma in business administration from the European Business School, and graduated with a Master of Business Administration (MBA) in finance.

In 1992, he started his career at the Felix Schoeller Group, becoming Vice President and General Manager of Felix Schoeller Digital Imaging in the UK in 1999. Elmar Heggen first joined the RTL Group Corporate Centre in 2000 as Vice President Mergers and Acquisitions. In January 2003, he was promoted to Senior Vice President Controlling and Investments. From July 2003 until December 2005 he was Executive Vice President Strategy and Controlling.

Since January 2006, Elmar Heggen has served on the RTL Group Executive Management team, and since 1 October 2006 he has been CFO and Head of the Corporate Centre of RTL Group.

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

FIRST APPOINTED: 18 APRIL 2012

GERHARD ZEILER

Chief Executive Officer
(until 18 April 2012)

Gerhard Zeiler, born in 1955 in Vienna (Austria), joined RTL Group in November 1998 when he was appointed Chief Executive Officer (CEO) of RTL Television in Cologne. In this capacity, Zeiler was responsible for the German RTL family of channels (RTL Television, Vox, RTL II, Super RTL, N-TV). In March 2003 Gerhard Zeiler was additionally appointed CEO of RTL Group. He handed over the management of RTL Television to Anke Schäferkordt in September 2005 to fully concentrate on RTL Group's international entertainment network. In his function as CEO of RTL Group, Gerhard Zeiler was a member of the Supervisory Boards of Groupe M6 in France and RTL Television in Germany. He was a member of the Bertelsmann AG Executive Board from October 2005 to April 2012.

Gerhard Zeiler began his career as a freelance journalist and then became press spokesman for the Austrian Minister for Education and the Arts, Dr Fred Sinowatz, whom he eventually followed to the Federal Chancellor's Office in 1983. Later he continued working in the same capacity for Federal Chancellor Dr Franz Vranitzky. In 1986 he became Secretary-General of the Austrian public broadcaster, ORF, in Vienna. After a two-year period as CEO of Tele 5 and a further two-year period as CEO of RTL II, he was elected Chief Executive Officer of ORF in 1994 and stayed in this position until November 1998.

FIRST APPOINTED: 4 MARCH 2003

NON-EXECUTIVE DIRECTORS

THOMAS RABE

Chairman since 18 April 2012

Chairman and CEO,
Bertelsmann SE & Co. KGaA

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

In 2000, Thomas Rabe became Chief Financial Officer and member of the Executive Committee of RTL Group. In March 2003 he was also appointed Head of the Corporate Centre with responsibility for the Luxembourgish activities of RTL Group. He was Chief Financial Officer and Head of the Corporate Centre of Bertelsmann AG from 1 January 2006 to 31 December 2011. Since 1 January 2012, Thomas Rabe has been Chairman and CEO of Bertelsmann AG, now Bertelsmann SE & Co KGaA.

Committee membership:
Audit, Nomination and Compensation
Mandates in listed companies:
Chairman of the Supervisory Board of Symrise AG, Holzminden

FIRST APPOINTED: 12 DECEMBER 2005
(EFFECTIVE 1 JANUARY 2006)
RE-ELECTED: 18 APRIL 2012

SIEGFRIED LUTHER

Chairman (until 18 April 2012)

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

Committee membership:
Audit, Nomination and Compensation
Mandates in listed companies:
Non-executive member of the Board of Directors of Compagnie Nationale à Portefeuille SA, Loverval (until June 2011)

FIRST APPOINTED: 24 JULY 2000

MARTIN TAYLOR

Vice-Chairman; Independent Director

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

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

Committee membership:
Audit, Nomination and Compensation (Chairman)
Mandates in listed companies:
Chairman of the Board of Syngenta AG (CH)

FIRST APPOINTED: 25 JULY 2000
RE-ELECTED: 18 APRIL 2012

NON-EXECUTIVE DIRECTORS

THOMAS HESSE

Member of the Bertelsmann Management SE Executive Board

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

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

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

FIRST APPOINTED: 12 DECEMBER 2011
(EFFECTIVE 1 JANUARY 2012)
RE-ELECTED: 18 APRIL 2012

BERND KUNDRUN

Investor

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

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

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

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

FIRST APPOINTED: 18 APRIL 2012

JACQUES SANTER

Chairman of the Board of CLT-UFA;
Independent Director

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

FIRST APPOINTED: 9 DECEMBER 2004
RE-ELECTED: 18 APRIL 2012

NON-EXECUTIVE DIRECTORS

ROLF SCHMIDT-HOLTZ

Business founder and investor

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

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

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

Committee membership:
Nomination and Compensation

FIRST APPOINTED: 18 APRIL 2012

JAMES SINGH

Independent Director

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

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

Committee membership:
Audit (Chairman)

FIRST APPOINTED: 18 APRIL 2012

EXECUTIVE COMMITTEE

ANKE SCHÄFERKORDT
Co-Chief Executive Officer

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

GUILLAUME DE POSCH
Co-Chief Executive Officer

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

ELMAR HEGGEN
Chief Financial Officer
and Head of the Corporate Centre

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

ANDREAS RUDAS*
Executive Vice President,
Regional Operations & Business Development
CEE and Asia

Andreas Rudas, born in 1953, worked with the Austrian public broadcaster ORF from 1986 to 1997, eventually as Secretary-General from 1994 to 1997. In this role, he was responsible for business planning, media, marketing and satellite broadcasting. Starting in 2000, he held various positions at Magna International Europe, and was a member of the Management Board from 2001 to 2005. Since December 2005, Andreas Rudas was Executive Director of WAZ Ost Holding (a subsidiary of WAZ Media Group), responsible for Austria, South Eastern Europe and Vietnam. Andreas Rudas was appointed Executive Vice President Regional Operations & Business Development CEE and Asia with effect from 1 January 2009. In this capacity, he oversees RTL Group's operations in Croatia, Hungary, Russia, and Germany (radio), and explores business opportunities in Central and Eastern Europe, and in Asia.

GERHARD ZEILER
Chief Executive Officer (until 18 April 2012)

In addition to his roles as Executive Director and CEO of RTL Group, Gerhard Zeiler was in charge of programme and synergies throughout all operations. He oversaw the operations in Germany (television), France (television) and FremantleMedia. RTL Group Corporate Communications, Public Affairs & Marketing also reported to him, as did Human Resources, which also reports to the CFO.

The Executive Committee keeps the Board of Directors informed on the results of the Group and its main profit centres on a regular basis. The compensation of the members of the Executive Committee is determined by the Nomination and Compensation Committee, and is composed of a fixed and a variable part (see note 10.3. to the consolidated financial statements).

* *Permanent guest*

Launched in 1990, *Capital* is an award-winning economic news magazine broadcast on M6. Thomas Sotto (pictured) has hosted the magazine since August 2011

DIRECTORS' REPORT CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT

DIRECTORS' REPORT

HIGHLIGHTS

The Directors are pleased to present their report to the shareholders, with details on the businesses and the development of the Group, together with the consolidated financial statements for the year ended 31 December 2012 on pages 144 to 209.

	Year to December 2012 €m	Year to December 2011 €m	Per cent change
Revenue	**5,998**	**5,765**	**+4.0**
Underlying revenue [1]	**5,872**	**5,704**	**+2.9**
Reported EBITA [2]	**1,078**	**1,134**	**(4.9)**
Reported EBITA margin (%)	**18.0**	**19.7**	
Reported EBITA	**1,078**	**1,134**	
Impairment of investment in associates and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	(92)	(19)	
Re-measurement of earn-out arrangements	2	–	
Gain/(Loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(9)	107	
EBIT	**979**	**1,222**	**(19.9)**
Net financial expense	(11)	(29)	
Income tax expense	(277)	(302)	
Profit for the year from continuing operations	**691**	**891**	
Loss for the year from discontinued operations	(1)	(96)	
Profit for the year	**690**	**795**	**(13.2)**
Attributable to:			
– Non-controlling interests	93	99	
– RTL Group shareholders	**597**	**696**	**(14.2)**
Basic EPS continuing operations (in €)	**3.89**	**5.01**	
Basic EPS discontinued operations (in €)	(0.01)	(0.48)	
Reported EPS (in €)	**3.88**	**4.53**	
Proposed/paid total dividend per share (in €)	**10.50**	**5.10**	

1 Adjusted for the disposal of radio stations in the Netherlands, the acquisition of cable channels in Hungary, and other minor scope changes, and at constant exchange rates

2 EBITA (continuing operations) represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures, impairment of investment in associates, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

RTL Group headlines

- Reported Group revenue up 4.0 per cent to €6.0 billion, reflecting higher revenue from Mediengruppe RTL Deutschland and FremantleMedia, and exchange rate effects

- For the third consecutive year, RTL Group generated an EBITA of more than €1 billion, despite an increasingly challenging economic environment
  - EBITA decreased 4.9 per cent to €1,078 million as a significantly higher profit contribution from the German TV operations was offset by lower results from operations facing challenging market conditions in other countries, higher investment in programming, and portfolio effects such as the disposal of the Dutch radio stations
  - Reported EBITA margin remains at a healthy level of 18.0 per cent (2011: 19.7 per cent)

- Net profit attributable to RTL Group shareholders down to €597 million (2011: €696 million), mainly due to an impairment amounting to €72 million on RTL Group's shareholding in the Spanish broadcaster Grupo Antena 3

- Net cash from operating activities was €925 million, resulting in an operating cash conversion of 101 per cent and a net cash position of €1,051 million at the end of 2012

- Throughout 2012, European TV advertising markets clearly reflected local macro-economic developments: while the German TV advertising market was slightly up, the French, Dutch and Belgian markets were estimated to be down year-on-year, with a significant slowdown over the second half of the year; markets in Spain, Hungary and Croatia continued to see a more pronounced decline

- 43 per cent of RTL Group's revenue originates from a broad range of non-advertising activities such as content production, rights trading, teleshopping, e-commerce, and merchandising

A more efficient capital structure, providing sufficient flexibility to invest

- On 24 February 2013, RTL Group's Board of Directors decided to distribute an interim dividend, comprising an ordinary dividend of €5.1 per share and an extraordinary dividend of €5.4 per share

- The total dividend amounting to €1.6 billion will be funded by the Group's net cash position and by debt in the form of shareholder loans from Bertelsmann provided at arm's length terms and at current market conditions. The dividends will be paid on 7 March 2013

- As a result of this, RTL Group will have a 2012 net debt to EBITDA ratio of around 0.5 times. This conservative level of gearing creates a more efficient capital structure, in line with the industry, and still provides sufficient flexibility to invest

- The Board also approved a new dividend policy going forward, targeting a pay-out ratio of 50 to 75 per cent of the adjusted consolidated net profit attributable to RTL Group shareholders

- RTL Group notes that Bertelsmann is considering a reduction of its shareholding in RTL Group through a capital market transaction, while maintaining a qualified majority of approximately 75 per cent. While the Supervisory Board of Bertelsmann has in principle approved a potential reduction of shares in RTL Group, no final decision has been taken yet on whether or not Bertelsmann will offer any part of its shareholding in RTL Group. We expect Bertelsmann to release further information as and when appropriate

Profit centre highlights

- Mediengruppe RTL Deutschland achieved a combined audience share of 33.7 per cent among young viewers aged 14 to 49, and remained the clear market leader, 5.9 percentage points ahead of its main commercial competitor. EBITA increased by 9.8 per cent to €581 million – the best ever full-year operating profit for RTL Group's largest profit centre

- In France, M6 was again the only major French channel to increase its total audience share year-on-year. As a result, the combined total audience share of Groupe M6 grew to 15.5 per cent. EBITA of Groupe M6 decreased to €224 million as a result of lower advertising revenue and programming investment related to the Euro 2012 football championship

- RTL Nederland attracted a combined prime time audience share of 32.3 per cent in the commercial target group, with a significant lead of 12.3 percentage points over its main commercial competitor. Following record results in 2011, EBITA decreased to €97 million due to a weaker TV advertising market and scope changes resulting from the exit of the Dutch radio stations

- FremantleMedia, RTL Group's content production arm, continued to produce number one prime time shows for the leading broadcasters in almost every major TV market in the world; the company's revenue grew by 19.7 per cent, driven by growth in the US, UK, Germany and Asia-Pacific, exchange rate effects, and recharges without margins to third parties for certain production contracts; EBITA decreased slightly to €138 million

- RTL Belgium and the RTL radio family in France remained clear market leaders and generated stable profit contributions

RTL Group makes good progress in all strategic fields – broadcasting, content and digital

Broadcast

- In total, RTL Group launched five new TV channels in 2012 – a significant investment to further strengthen the broadcasting business:
  - 1 April 2012: launch of digital free-TV channel RTL Nitro in Germany. This is the most successful channel launch in recent years, with an audience share of 0.7 per cent among young viewers in December 2012
  - 1 September 2012: launch of digital children's channel RTL Telekids in the Netherlands
  - 1 October 2012: launch of family entertainment cable channel RTL II in Hungary; in the period October to December 2012, RTL II attracted an average audience share of 0.8 per cent among viewers aged 18 to 49
  - 5 November 2012: launch of action entertainment channel Big RTL Thrill in India, RTL Group's first broadcasting venture outside of Europe; the channel already reaches more than 25 million households
  - 12 December 2012: launch of 6ter in France, Groupe M6's new general entertainment channel for the whole family. 6ter has quickly become the audience leader among the six new DTT channels launched in France at that time

Content

- FremantleMedia's key formats capture mass audiences around the globe
  - *American Idol* has been the number one entertainment series in the US – the biggest TV market worldwide – for the past nine years
  - With an average total audience share of 40.8 per cent, *Britain's Got Talent* was the highest rated entertainment series in the UK for 2012
  - The local versions of *The Farmer Wants A Wife* in France, the Netherlands and Germany continued to score excellent ratings, with audience shares of up to 43.7 per cent

- FremantleMedia's new management team has put a clear focus on fuelling its creative pipeline, developing new formats and building brands, across a broad range of genres, while maintaining market leadership in its core business areas
  - The new structure announced on 1 February 2013 will create a Digital & Branded Entertainment division alongside a new global division focused on distribution and kids and family entertainment. Other commercial ancillary activities will be undertaken by the local production companies
  - The kids and family entertainment division has signed a new five-year partnership with BBC Children's to develop and co-produce a continuous sequence of new children's programmes

Digital

- RTL Group's online platforms and on-demand offers across Europe collectively generated more than 2.4 billion video views of professionally produced content in 2012 – up 25 per cent year-on-year

- Mobile video views increased by 58 per cent to 118 million in Germany and by 119 per cent to 70.5 million in France

- RTL Group's online network comprises more than 200 websites, reaching an average 61 million unique users a month

- On 17 October 2012, RTL Nederland announced the acquisition of Videostrip, the Netherland's leading online video advertising network, which generated 1.3 billion video views and delivered 392 million ads in 2012

- FremantleMedia has become the highest-rated TV producer on Youtube, with 101 channels registering 4.5 billion views in 2012
  - The Youtube channels for the UK versions of *X Factor* and *Got Talent* have generated well over a billion hits around the world
  - In addition to its established TV format brands, FremantleMedia launched four Youtube-funded channels in 2012. The move is part of the company's strategy to produce original, quality programming for multiple media platforms

REVENUE

Throughout 2012, European TV advertising markets clearly reflected local macro-economic developments: while the German TV advertising market was slightly up, the French, Dutch and Belgian markets were estimated to be down year-on-year, with a significant slowdown over the second half of the year. The markets in Spain, Hungary and Croatia continued to see a more pronounced decline.

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

3 Industry/IREP and RTL Group estimates
4 Source: GfK. Target group: 14–49
5 Source: Groupe M6 estimate
6 Source: Médiamétrie. Target group: housewives under 50 (including digital channels)
7 Source: SKO. Target group: 20–49, 18–24h
8 Source: Audimétrie. Target group: shoppers 18–54, 17–23h
9 Source: Infoadex and Grupo Antena 3 estimate
10 Source: TNS Sofres. Target group: 16–54 (including digital channels, but excluding La Sexta)
11 Source: AGB Hungary. Target group: 18–49, prime time (including cable channels)
12 Source: AGB Nielsen Media Research. Target group: 18–49

	2012 net TV advertising market growth rate (in per cent)	**RTL Group advertising market share 2012 (in per cent)**	RTL Group advertising market share 2011 (in per cent)	**RTL Group audience share in main target group 2012 (in per cent)**	RTL Group audience share in main target group 2011 (in per cent)
Germany	+1.0 [3]	44.4	43.7	33.7 [4]	35.0 [4]
France	(6.0) [5]	24.0	23.4	22.9 [6]	23.0 [6]
Netherlands	(5.4) [3]	47.3	47.7	32.3 [7]	35.2 [7]
Belgium	(7.7) [3]	71.5	71.0	36.3 [8]	37.8 [8]
Spain	(18.9) [9]	35.2	30.5	19.2 [10]	18.4 [10]
Hungary	(14.7) [3]	54.0	47.9	37.3 [11]	40.7 [11]
Croatia	(9.0) [3]	36.8	40.9	24.3 [12]	25.5 [12]

Revenue increased by 4.0 per cent to €5,998 million (2011: €5,765 million). On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was up 2.9 per cent, or €168 million, to €5,872 million.

EBITA

Reported EBITA decreased by 4.9 per cent to €1,078 million (2011: €1,134 million). Challenging market conditions, higher investment in programming and portfolio effects such as the disposal of the Dutch radio stations offset a significantly improved level of profitability at Mediengruppe RTL Deutschland. The Group's EBITDA[13] for continuing operations was €1,257 million (2011: €1,306 million), resulting in an EBITDA margin of 21.0 per cent (2011: 22.7 per cent).

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

Group operating expenses were up 5.9 per cent at €4,992 million in 2012 compared to €4,715 million in 2011. Excluding foreign exchange rate effects and the recharges without margins to third parties at FremantleMedia, costs were up €165 million or 3.4 per cent.

REVIEW BY SEGMENTS

Revenue	Year to December 2012 €m	Year to December 2011 €m	Per cent change	Per cent of total 2012
Mediengruppe RTL Deutschland	1,982	1,912	+3.7	33.1
Groupe M6	1,387	1,421	(2.4)	23.1
FremantleMedia	1,711	1,429	+19.7	28.5
RTL Nederland	431	491	(12.2)	7.2
RTL Belgium	210	216	(2.8)	3.5
French radio	180	184	(2.2)	3.0
Other segments	304	330	(7.9)	5.1
Eliminations	(207)	(218)	(5.0)	(3.5)
Total revenue	**5,998**	**5,765**	**+4.0**	**100.0**

EBITA	Year to December 2012 €m	Year to December 2011 €m	Per cent change	Per cent of total 2012
Mediengruppe RTL Deutschland	581	529	+9.8	53.9
Groupe M6	224	249	(10.0)	20.8
FremantleMedia	138	143	(3.5)	12.8
RTL Nederland	97	134	(27.6)	9.0
RTL Belgium	45	46	(2.2)	4.1
French radio	30	30	–	2.8
Other segments	(37)	3	n.a.	(3.4)
Reported EBITA	**1,078**	**1,134**	**(4.9)**	**100.0**

EBITA margins	Year to December 2012 per cent	Year to December 2011 per cent	Percentage point change
Mediengruppe RTL Deutschland	29.3	27.7	+1.6
Groupe M6	16.1	17.5	(1.4)
FremantleMedia	8.1	10.0	(1.9)
RTL Nederland	22.5	27.3	(4.8)
RTL Belgium	21.4	21.3	+0.1
French radio	16.7	16.3	+0.4
Other segments	n.a.	0.9	n.a.
RTL Group	**18.0**	**19.7**	**(1.7)**

MEDIENGRUPPE RTL DEUTSCHLAND

Financial results

In 2012, Mediengruppe RTL Deutschland continued to outperform the German TV advertising market – which was estimated to be slightly up, by 1.0 per cent – and increased its combined net share (including RTL II) to 44.4 per cent (2011: 43.7 per cent).

Overall revenue of Mediengruppe RTL Deutschland grew by 3.7 per cent to € 1,982 million (2011: € 1,912 million), mainly driven by higher TV advertising revenue from the unit's two main channels, RTL Television and Vox. Due to ongoing cost control measures, EBITA increased strongly by 9.8 per cent to € 581 million (2011: € 529 million) – the unit's best ever full-year operating profit. At 29.3 per cent, the profit margin also reached a new record level (2011: 27.7 per cent).

	Year to December 2012 €m	Year to December 2011 €m	Per cent change
Revenue	**1,982**	**1,912**	**+3.7**
EBITA	**581**	**529**	**+9.8**

Audience ratings

In Germany, the 2012 ratings were impacted by major sporting events, including the Euro 2012 football championship and the Summer Olympics, both of which were aired on the public broadcasters ARD/Das Erste and ZDF. 2012 also saw an accelerated fragmentation of the TV landscape, with the launch of new channels and the switch-off of analogue satellite broadcasting, resulting in audience share losses for all of the three biggest commercial TV channels. At the same time, niche channels (with an audience share below 2.0 per cent in the target group) collectively increased their audience shares by 2.3 percentage points.

The combined average audience share of Mediengruppe RTL Deutschland in the key 14 to 49 target group amounted to 33.7 per cent (2011: 35.0 per cent) – including the new channel RTL Nitro which was launched in April. The RTL family of channels was clearly ahead of its main commercial competitor ProSiebenSat1 (27.8 per cent) and the public broadcasters (22.7 per cent).

With an audience share of 15.9 per cent in the target group of viewers aged 14 to 49 in 2012 (2011: 18.4 per cent), **RTL Television** remained viewers' number-one choice for the 20th consecutive year, and by a large margin – 4.6 percentage points ahead of the second-highest rated channel, Pro Sieben. In terms of total audience, RTL Television was on a par with ARD/Das Erste (both: 12.3 per cent) and slightly behind ZDF (12.6 per cent).

RTL Television — **TV audience share**

Source: GfK. Target: 14–49 — 2008–2012 (%)

12	**15.9**
11	18.4
10	18.1
09	16.9
08	15.7

RTL Television scored high ratings across all genres, from entertainment shows, live sporting events and daily soaps to factual entertainment and fiction formats. Its big TV events continued to reach mass audiences. At the beginning of the year, the sixth season of *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity… Get Me Out Of Here!) attracted an average 6.69 million viewers. The average audience share among viewers aged 14 to 49 was 37.7 per cent.

On Easter Sunday, the movie *Avatar* was watched by an average 7.04 million viewers, representing a 35.0 per cent audience share among young viewers. Live broadcasts of the Formula One races attracted an average 34.0 per cent of the total audience in 2012. As many as 12.92 million viewers tuned in for the Vitali Klitschko vs Dereck Chisora boxing match in February, which attracted 56.5 per cent of the total audience – making it the most-watched show on RTL Television in 2012.

An average 25.7 per cent of viewers aged 14 to 49 watched RTL Television's talent show *Deutschland sucht den Superstar*. The sixth season of *Rach, der Restauranttester* hit a new ratings high with an average audience share of 22.7 per cent in the target group of 14 to 49-year-old viewers.

The daily series *Gute Zeiten, Schlechte Zeiten* (Good Times, Bad Times) celebrated its 5,000th episode in May, attaining an average audience share of 20.3 per cent among viewers aged 14 to 49 during the reporting period.

RTL Television's main news programme, *RTL Aktuell*, was watched by an average 17.9 per cent of viewers aged 14 to 49. It remained the most popular news format among young audiences, despite competition from the public channels with audience magnets such as the Olympic Games and the European football championships.

Vox — **TV audience share**

Source: GfK. Target: 14–49 — 2008–2012 (%)

12	**7.7**
11	7.3
10	7.7
09	7.5
08	7.5

In 2012, **Vox's** audience share in the target group of 14 to 49-year-old viewers was 7.7 per cent (2011:

"'Fragment yourself before the market does.' With that rule in mind we launched a new free digital TV channel in 2012. Less than a year later, RTL Nitro is already a success. So we keep developing strong brands on the content side while offering them on all screens: in 2012 we generated more than 1 billion online video views across all of our platforms for the first time. Again, having the best content was key to another record business year."

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

7.3 per cent). The channel registered a significant ratings increase in daytime audience. During the 13:00 to 17:00 slot on Mondays to Fridays, Vox attracted an average 7.3 per cent of 14 to 49-year-old viewers, representing a 66 per cent increase over the previous year (2011: 4.4 per cent). Especially well received were the scripted reality format *Verklag mich doch!*, with an average audience share of 9.7 per cent, and *Shopping Queen*, which reached an average 7.5 per cent of viewers aged 14 to 49.

The channel's Saturday documentaries continued to achieve good ratings. The four-hour special, *Thank You For The Music – 40 Years Of Abba*, which marked the anniversary of the Swedish pop group on 2 June, scored an audience share of 12.1 per cent among viewers aged 14 to 49.

In access prime time, *Das perfekte Dinner im Schlafrock* – the sleepover special of the cooking show *Come Dine With Me* – attained its highest ratings since going on air, attracting 2.6 million viewers on 30 January, and an average audience share of 10.3 per cent. The daily edition of the celebrity magazine *Prominent!*, aired at 20:00, proved its popularity with a new ratings record since its launch, reaching an average audience share of 8.5 per cent in the target group.

The new US series *Rizzoli & Isles* has settled well into the channel's Wednesday crime line-up. Its average audience share in the target group was 8.7 per cent.

RTL II — **TV audience share**

Source: GfK. Target: 14–49 — **2008–2012 (%)**

12	**6.4**
11	5.6
10	6.0
09	6.2
08	6.1

RTL II significantly increased its audience share among viewers aged 14 to 49 to 6.4 per cent (2011: 5.6 per cent), mainly driven by its access prime time line up, which consists of *Berlin – Tag & Nacht*, *Privatdetektive im Einsatz* and *X Diaries*. Also popular was the new daytime programming, with shows such as *Der Trödeltrupp* and *Family Stories*. In July, RTL II recorded a daytime audience share (9:00 to 20:00) of 8.4 per cent – the best figure in this timeslot since the channel launched.

RTL II's varied programming during prime time also resonated well with viewers, who enjoyed its innovative event-scale transmission of *Game Of Thrones – Das Lied von Eis and Feuer* on a single weekend. The fantasy series scored an average audience share of 9.7 per cent in the target group, and gave the channel its best Sunday prime time ratings (20:15 to 23:15) since August 2010 and best Saturday prime time ratings since January 2009.

The channel's docu-soaps were also popular during prime time. For example, *Die Geissens – Eine schrecklich glamouröse Familie*, which follows the unusual daily life of a family of self-made millionaires, was watched by an average 9.9 per cent of viewers aged 14 to 49.

Super RTL — **TV audience share**

Source: GfK. Target: 3–13 (6–20:15h) — **2008–2012 (%)**

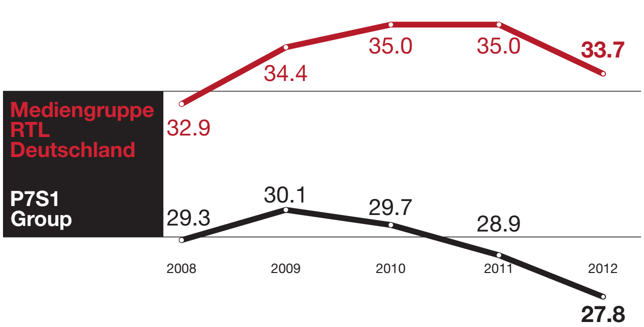
12	**23.1**
11	24.1
10	22.8
09	24.2
08	23.2

With an audience share of 23.1 per cent (2011: 24.1 per cent) in the target group of 3 to 13-year-olds between 6:00 and 20:15, **Super RTL** remains well ahead of its two competitors, Kinderkanal (22.1 per cent) and Nickelodeon (11.6 per cent). The channel has been the clear leader in the German children's TV market for 15 consecutive years, and currently reaches over 95 per cent of children aged 3 to 13 years in Germany, according to GfK.

Super RTL's pre-school strand, *Toggolino*, scored high average audience shares in the target group, with formats such as *Mike der Ritter* (46.0 per cent)

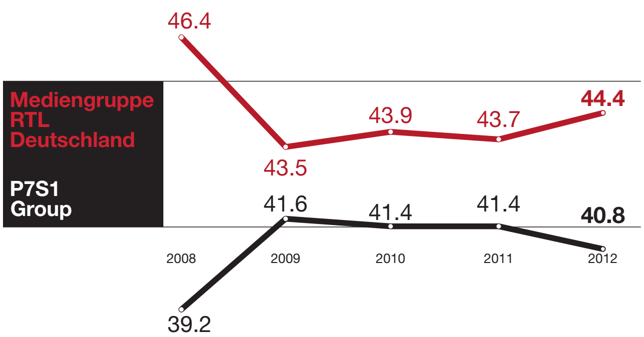
TV audience share

Source: GfK. Target: 14–49 — **2008–2012 (%)**



TV advertising share

Source: RTL Group estimates — **2008–2012 (%)**



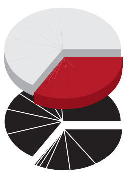
and *Cleo und die Kunstpiraten* (36.0 per cent). In access prime time, live-action formats such as *Disney Jessie* (21.0 per cent) performed well. The new series *Once Upon A Time – Es war einmal…* was particularly successful in prime time, with an average audience share of 4.1 per cent in the target group of 14 to 49-years-olds.

N-TV attracted an average audience share of 1.1 per cent among viewers aged 14 to 49 during the reporting period (2011: 1.2 per cent). The N-TV news programmes attracted up to 11.0 per cent of viewers aged 14 to 49 while the *Telebörse*, which provides daily information about developments on the financial markets and the stock market, attracted up to 9.4 per cent of the target audience. With the live broadcast of the Red Bull Stratos event on 14 October, N-TV recorded an average audience share of 11.9 per cent among viewers aged 14 to 49 – the channel's best ratings since 11 September 2001 and the live broadcast of the burial of Michael Jackson.

With a monthly audience share of 0.7 per cent among 14 to 49-year-olds in December 2012, **RTL Nitro**, the latest addition to the Mediengruppe RTL Deutschland family of channels, ended the year on a high note. Its average ratings for 2012 – during which the channel was only on air for nine months – were an encouraging 0.4 per cent among young viewers.

National audience breakdown

Source: GfK. Target: 14–49



	2012 (%)
RTL Television	**15.9**
Vox	**7.7**
RTL II	**6.4**
Super RTL	**2.2**
N-TV	**1.1**
RTL Nitro	**0.4**
Pro 7	11.3
Sat 1	9.9
ARD	7.0
ZDF	6.8
Kabel 1	5.6
Others	25.7

New media and diversification activities

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

During 2012, RTL Interactive completed the 'Now' family of catch-up TV services with the addition of RTL II Now, N-TV Now and RTL Nitro Now. The family – which consists of RTL Now, Vox Now, RTL II Now, Super RTL Now, N-TV Now and RTL Nitro Now – collectively registered 602 million views (2011: 247 million video views), representing more than 50 per cent of video views for websites managed by Mediengruppe RTL Deutschland.

Combining these on-demand platforms with the clip portal *Clipfish.de*, the newly launched Clipfish Music HbbTV, and Mediengruppe RTL Deutschland's channel and thematic websites, the number of video views of professionally produced content increased by 52 per cent to 1.18 billion. Around 10 per cent of these views were generated on mobile devices.

Including all mobile portals and applications of Mediengruppe RTL Deutschland's portfolio, mobile page impressions were up 54 per cent to 4.84 billion, while mobile video views were up 58 per cent to 118 million. As part of these figures, apps from the news channel N-TV – together with *Mobil.N-TV.de* – generated an average 195.9 million page impressions per month (up 63.5 per cent year-on-year), and a total of 2.4 billion page impressions in 2012. With up to 898,000 unique mobile users, according to AGOF Mobile Facts 2012-I, N-TV's apps rank first among German news apps.

At the end of February 2012, RTL Interactive launched the RTL Inside app, which had been downloaded more than 1 million times by 31 December 2012. RTL Inside is the first app by a German broadcaster that synchronously links additional information about the linear TV programme with video and social TV options across several media. The application links to social networks to support fans' interaction as they watch TV.

RTL Interactive also strengthened its transaction-based businesses during the reporting period. In January 2012, the company acquired *Gutscheine.de* which offers several thousand online discount vouchers, promotions and local coupons – one of the largest selections on the German internet.

With more than 2.5 million fans on its Facebook page, which is produced by RTL II's online editorial team, *Berlin – Tag & Nacht* is Germany's most popular TV format in the social web.

GROUPE M6

Financial results

In 2012, Groupe M6's reported revenue was down by 2.4 per cent to €1,387 million (2011: €1,421 million). While the company's diversification and audiovisual rights revenue remained almost stable, Groupe M6's total advertising revenue decreased by 3.9 per cent. 41.5 per cent of Groupe M6's consolidated revenue originated from a broad range of non-advertising activities, underlining the company's position as a leader in the field of diversification.

The French net TV advertising market was estimated to be down by 6.0 per cent in the reporting period, due to a significant slowdown during the second half of the year. Groupe M6 again outperformed the market, increasing its estimated net share to 24.0 per cent (2011: 23.4 per cent).

Based on significantly lower profit contributions from its main channel M6 – as a result of lower advertising revenue and higher programming costs for the Euro 2012 football championship – reported EBITA of Groupe M6 decreased by 10.0 per cent to €224 million (2011: €249 million).

	Year to December 2012 €m	Year to December 2011 €m	Per cent change
Revenue	**1,387**	**1,421**	**(2.4)**
EBITA	**224**	**249**	**(10.0)**

Audience ratings

Thanks to its complementary family of channels, the combined total audience share of Groupe M6 increased to 15.5 per cent over the period (2011: 15.2 per cent). In the main commercial target group of housewives aged under 50, the combined audience share remained almost stable at 22.9 per cent (2011: 23.0 per cent).

M6 remained the second most popular channel in France among housewives under 50, reporting an audience share of 17.0 per cent (2011: 17.2 per cent), and continued to reduce the gap to the market leader, TF1. Over the past ten years, this gap has reduced from 16.6 to 8.5 percentage points. In terms of total audience share (11.2 per cent), M6 remained the third most popular channel, and was again the only major channel to increase its ratings year-on-year (2011: 10.8 per cent), in an environment still marked by ongoing audience fragmentation. At the end of 2012, six new free digital terrestrial TV (DTT) channels were launched in France.

In June and July, M6 aired ten of the 31 matches of the European football championship and scored excellent ratings. The France vs Sweden match was watched by 12.2 million viewers, the channel's second-highest ratings ever. M6 achieved a record audience for the competition in access prime time for the Ukraine vs France match, with 10.5 million viewers – the third best audience ever for M6. As a consequence, M6 broadcast two of the ten most-watched shows on French TV in 2012.

M6 — **TV audience share**

Source: Médiamétrie. Target: housewives < 50 — 2008–2012 (%)

12	**17.0**
11	17.2
10	16.5
09	17.2
08	17.5

M6 increased its ratings in access prime time, with the factual entertainment show *Un dîner presque parfait* (Come Dine With Me), the magazine *100% Mag*, the main news show *Le 19:45* and the short drama series *Scènes de ménages*. On average, *Le 19:45* gained more than 500,000 viewers year-on-year, making it the news show with the biggest audience increase (average audience share among housewives aged under 50: 26.6 per cent). With an average audience share of 25.4 per cent in the commercial target group and 17.4 per cent of the total audience, *Scènes de ménages* achieved the channel's best ever ratings in the 20:00 time slot ever. The series has become the most watched programme in the 20:00 time slot among viewers aged under 50, all channels included.

M6's most popular prime time format was the seventh season of the romantic docu-soap *L'amour est dans le pré* (The Farmer Wants A Wife) which achieved an average audience share of 37.6 per cent in the commercial target group. The format also made M6 the market leader among all target groups on Monday evenings. Since its first season, the format has consistently improved its ratings. The second highest-rated format was *Top Chef*, which reached up to 5.5 million viewers with its season finale, and increased its average audience by 500,000 viewers during the third season. The talent show *La France a un incroyable talent* (Got Talent) achieved its best season ever, with an average audience of 4.9 million viewers (2011: 4.3 million viewers). Other established brands in prime time include *Pékin Express*, factual entertainment formats with a focus on lifestyle such as *D&Co* and *Maison à vendre* (House For Sale), US series such as *NCIS* and *Bones*, and the long-running information magazines *Capital*, *Zone Interdite* and *Enquête Exclusive*.

Finally, M6 continued to innovate in 2012, successfully launching programmes such as *Le meilleur pâtissier*, *Patron Incognito* and *60 secondes chrono*, which has become the most watched show among viewers aged under 50 in its timeslot.

Groupe M6's main digital channel, **W9**, remained the most watched DTT channel in the key commercial target group, with an almost stable average audience share of 4.2 per cent among housewives aged under 50 (2011: 4.3 per cent). Underlining its positioning as a 'mini-generalist' channel, W9 scored high ratings in various genres, including US series such as *Glee* and *Spartacus*, the magazine

"In 2012 Groupe M6's audiences rose for the second year in succession, primarily thanks to its investments in programmes. This performance enabled us to win market share and confirm our status as a co-leader."

NICOLAS DE TAVERNOST,
PRÉSIDENT DU DIRECTOIRE, GROUPE M6

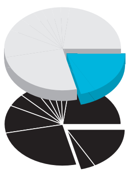
Enquête d'Action, factual entertainment formats, movies and sports, with live broadcasts of Uefa Europa League football matches and the Masters ATP tennis world tour. The reality format *La belle et ses princes presque charmants* gathered an average audience of 1.2 million viewers, to become the highest-rated reality format among all DTT channels in France. *Les Ch'tis débarquent à Mykonos* scored record ratings for a daytime TV reality show on W9, with up to 1.0 million viewers. The year's most watched programme on W9 was the US movie classic *Pretty Woman*, with 1.9 million viewers on 17 June 2012.

In December 2012, six new free DTT channels were launched in France. From the outset, **6ter**, Groupe M6's new family channel, has become the most watched of all new channels by a large margin. Shortly after its launch, the channel registered its first success with the movie *Sister Act,* watched by 372,000 viewers

In the pay-TV environment, Groupe M6's channels confirmed their leading positions in their key target groups. Among the 114 thematic channels in the Médiamétrie survey Médiamat Thématik – which measures TV audiences among French households equipped with cable, satellite or IPTV – **Paris Première** was the most-watched channel in the strategic prime time slot, 20:45 to 24:00, while **Téva** was again the top choice of housewives aged under 50 (audience share: 1.4 per cent).

National audience breakdown

Source: Médiamétrie. Target: housewives < 50



	2012 (%)
M6	**17.0**
W9	**4.2**
TF1	25.5
France 2	11.0
France 3	5.0
TMC	4.0
NT1	2.7
Canal Plus	2.6
France 4	2.6
D8	2.4
Others	23.0

New media and diversification activities

The catch-up TV service, **M6 Replay**, registered 380 million online video views in 2012, while **W9 Replay** reported 100 million online video views. Both services enable viewers to re-watch the channels' flagship programmes, at no cost, for seven to 15 days after their initial broadcast. They are available on both computer and television via virtually all cable, IPTV and satellite packages in France, increasing the number of total video views on all platforms to over 600 million in 2012 (2011: 543 million).

The M6 app for I-Pad and I-Phone offers the channel live at no cost, plus catch-up TV services and behind-the-scenes videos. By the end of 2012, it had registered more than 4.3 million downloads, making it one of the top free apps available from the App Store.

At the end of 2012, Groupe M6 launched a new version of Replay's mobile apps and services for the channels M6 and W9. This revamped catch-up TV service not only offers social TV and continuous viewing functions that are synchronised across all media, but also affords access to a second screen service, dubbed *Devant ma TV* (In Front Of My TV). The new version of Replay allows users to comment on and interact with a programme whenever they want. For example, they can make recommendations on social networks such as Facebook, let others know what they're up to, watch the videos most frequently viewed by their friends or even instantaneously share their views on the performance of a contestant on *La France a un Incroyable Talent* (Got Talent) and vote.

During the year, **M6 Web** reached an average audience of 12.2 million unique users per month across its network of 20 internet sites (2011: 12.5 million).

The **M6 Mobile by Orange** service had reached 2.4 million customers by the end of 2012, up 20 per cent year-on-year, despite the launch of the mobile service 'Free' on the French market in January 2012, while the M6-branded payment card had over 1.2 million customers (end of December 2011: 1.4 million customers).

In the previous years, Groupe M6's audiovisual rights division benefited from the tremendous successes of the *Twilight* movies, in terms of both box office and DVD sales. In 2012, M6 films registered 18 million entries, while **SND** gained 8.6 million entries with 12 movies.

Groupe M6's mail-order and retail activities – bundled in the unit **Ventadis** – also had to operate in a challenging environment, marked by strong competition.

FREMANTLEMEDIA

Financial results

Revenue of FremantleMedia – RTL Group's production and brand exploitation arm – increased by 19.7 per cent to € 1,711 million (2011: € 1,429 million), driven by growth in the US, UK, Germany and Asia-Pacific, exchange rate effects, and recharges without margins to third parties for certain production contracts. Despite this revenue growth, EBITA – which was impacted by positive and negative one-off effects in 2012 – was slightly down to € 138 million (2011: € 143 million), mainly due to continued pressure from broadcasters on margins and volumes.

	Year to December 2012 €m	Year to December 2011 €m	Per cent change
Revenue	1,711	1,429	+ 19.7
EBITA	138	143	(3.5)

"Despite difficult market conditions, FremantleMedia's core businesses continued to perform strongly in 2012, with good progress in newer investment areas like gaming and kids programming, and a clear focus on fuelling our creative pipeline for future growth."

CÉCILE FROT-COUTAZ,
CEO, FREMANTLEMEDIA

Production businesses

In 2012, FremantleMedia's global network of production companies was responsible for over 9,100 hours of TV programming across 62 countries. The company also distributed 20,000 hours of programming to more than 150 countries, making it one of the largest creators and distributors of award-winning international programme brands in the world. RTL Group's content arm continued to produce the highest-rated entertainment shows for broadcasters in the biggest TV markets worldwide – including the US, the UK, Germany, Australia, France and the Netherlands – along with a strong stable of top-rated and long-running drama series.

FremantleMedia's entertainment formats continued to travel well in 2012. *Got Talent* added another seven territories in 2012, with the show now being successfully produced in Belgium, Canada, Ecuador and Nigeria, among others, taking its total to 52. *The X Factor* added six territories to its roster, launching in countries such as Sweden, Indonesia and the Philippines. The show has now been produced in 35 territories and sold to more than 40.

In the **US**, the 11th season of *American Idol* – co-owned by FremantleMedia North America (FMNA) and 19 Entertainment – was the country's number-one entertainment series, winning an average audience of 17.4 million viewers (15.2 per cent of the total audience). For the target demographic of adults aged 18 to 49 *American Idol* achieved an average share of 14.7 per cent – over 120 per cent higher than broadcaster Fox's prime time average – and has been the number one entertainment series in the US for the past nine years.

Returning for its seventh season in May 2012, *America's Got Talent* was the number one summer series in the United States, winning an average of 10.1 million viewers and a 9.0 per cent total audience share. *America's Got Talent* exceeded broadcaster NBC's prime time average by 61 per cent for all viewers.

The X Factor (co-produced with Syco) returned to the Fox network to an average audience of 8.3 million viewers and an average share of 8.4 per cent among adults aged 18 to 49.

After 40 years on air, *The Price Is Right* remained the highest rated daytime entertainment show in the United States, gaining an average audience of 4.6 million viewers in 2012.

Launched on 27 January 2012, *Bering Sea Gold*, produced by FremantleMedia company Original Productions, was the highest rated series launch ever on the Discovery Channel, with 3.7 million viewers tuning into the premiere episode. The series achieved an average audience of 2.7 million viewers, and a 2.6 per cent total audience share, more than doubling the broadcaster's prime time average.

In **Germany**, the ninth series of *Deutschland sucht den Superstar* (Idols) won an average audience of 5.1 million viewers and a 25.7 per cent market share for the commercial target of viewers aged 14 to 49, for which it was the third-most watched entertainment series of the year on RTL Television.

Aired on RTL Television in autumn 2012, series six of *Das Supertalent* (Got Talent) achieved an average audience of 5.0 million viewers and a 23.2 per cent market share for the commercial target group.

Meanwhile, the eighth series of *Bauer sucht Frau* (The Farmer Wants A Wife) drew an average audience of 6.9 million viewers, and a 23.3 per cent audience share in the 14 to 49 target group. For the total audience, it exceeded RTL Television's prime time average by 86 per cent, making it the channel's highest rated entertainment series of 2012.

On air since 1992, *Gute Zeiten, schlechte Zeiten* (Good Times – Bad Times) was again the highest rated daily drama series in Germany, winning an average audience of 3.4 million viewers and a 20.3 per cent share for the commercial target, and consistently ranking number one in its time slot.

Event movies continued to prove popular in 2012. The Teamworx production *Rommel* was one of the most talked-about TV movies in 2012, creating significant media coverage and winning an audience of 6.4 million viewers. Another Teamworx production, *Der Turm*, was the number two TV movie on public broadcaster Das Erste, with an average audience of 7.0 million viewers across its two parts. *Der Fall Jakob von Metzler* also received significant public and media attention, and attracted 5.3 million viewers on public broadcaster ZDF.

In spring, the sixth series of *Britain's Got Talent* in the **UK** won an average audience of 11.0 million viewers and a 40.8 per cent total audience share, making it the UK's highest rated entertainment series for 2012. With an average share of 48.9 per cent for the commercial target of viewers aged 16 to 34, *Britain's Got Talent* exceeded ITV1's prime time average by 155 per cent.

Returning for its ninth series in the autumn, *The X Factor* was 2012's highest rated entertainment series for young viewers, with an average audience share of 51.6 per cent.

Airing its seventh and eighth series in 2012, *Celebrity Juice* continued to prove a success on ITV 2. Attaining an average share of 27.2 per cent for the commercial target (viewers aged 16 to 34) *Celebrity*

Number of hours produced

Programmes	2012	2011
New	2,379	2,269
Returning	6,758	6,922
Total	9,137	9,191

Breakdown of hours produced by main markets

	2012	2011
USA	956	918
Germany	798	866
France	648	599
Italy	453	418
UK	419	347

Juice consistently ranks number one in its time period across all channels, outperforming the five major UK broadcasters. It continued to be the highest rated programme ever on ITV 2 and the number one entertainment show across all multichannels for 2012.

Take Me Out was the number one dating show in the UK in 2012. The third and fourth series of the show consistently ranked number one in the time slot for the commercial target (adults 16 to 34) with an average share of 34.5 per cent.

Aired from July to October, series seven of *L'amour est dans le pré* (The Farmer Wants A Wife) in **France** was the most successful yet, becoming the highest-ranked entertainment series on M6 for 2012 with an average share of 37.6 per cent for the commercial target group of housewives under 50.

The third series of *The X Factor* in **Australia** was the best-performing yet, attracting an average audience of 1.6 million viewers – an increase of 7 per cent on series two and 33 per cent series one. Meanwhile, *Neighbours* gained an average share of 12.6 per cent of viewers aged 16 to 39, exceeding Eleven's prime time average by 148 per cent.

Elsewhere, the Dutch version of *The Farmer Wants A Wife* continued to prove popular, capturing an average 43.7 per cent of the commercial target group of adults aged 20 to 49, and in New Zealand *Got Talent* was the country's highest-rated programme since at least 1997 (excluding news and sports). Meanwhile in Italy, the sixth series of *The X Factor* gained a massive 33 per cent more viewers than the previous season.

Digital

At the end of 2012 FremantleMedia operated 101 Youtube channels across 18 territories. Four of these are Youtube-funded channels for which original content is produced exclusively. They are 'The Pet Collective', created and produced by FremantleMedia North America and FremantleMedia Enterprises, launched in May 2012; 'THNKR', created and produced by FremantleMedia subsidiary Radical Media, launched in July; and 'eNtR Berlin' and 'Trigger', produced by FremantleMedia's German subsidiary UFA, and launched in the last quarter of 2012.

FremantleMedia's remaining Youtube channels act as an extension of the company's existing formats. The brand channels for *Britain's Got Talent* and *The X Factor* UK surpassed one billion lifetime views each, making them the highest rated channels for an entertainment programme worldwide. They are also among Youtube's top-50 most viewed channels of all time. In total, FremantleMedia is the world's highest rated TV producer on Youtube.

Ludia, already a top-50 games and apps developer for mobile and Facebook, reached three million daily active users and ten million monthly active users in 2012. It offers more than 50 apps across the I-OS (Apple), Google Play and Amazon app stores. More than 50 million combined downloads were registered for its properties, with 12 of its games reaching top-five spots in the I-OS app store.

FremantleMedia Enterprises (FME)

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

In July, FremantleMedia announced an exclusive creative and strategic partnership with the US division of Random House, the world's largest trade book publishing company, owned by Bertelsmann. The companies agreed on a first-look deal as well as a collaboration on developing original scripted television properties based on the works of Random House authors.

FME's **Kids & Family Entertainment** division, one of the leading independent producers and distributors in the sector, with more than 15 titles in production globally, signed several major development and distribution deals. Among them was a landmark partnership with BBC Children's to co-develop, co-produce and co-fund a continuous sequence of new children's programmes over the next five years, extending on the success of titles such as pre-school series *Tree Fu Tom*, the highest rated programme on CBeebies in 2012 for children aged 4 to 6 (by highest occurrence, excluding special events). FME sold *Tree Fu Tom* to more than 50 territories globally, inked a lucrative master toy deal with Giochi Preziosi, and signed up 18 licensing partners for further ancillary product development.

Action-adventure CGI-animated series *Max Steel* sold to more than 100 territories, while *Wizards vs Aliens,* from *Doctor Who* producer Russell T Davies, launched as CBBC's number one new show of 2012 with an average share of 21.0 per cent for the key target demographic of children aged 6 to 12.

In **drama**, a deal was finalised to adapt bestselling novel *The Maid* for television, providing a new take on the Joan of Arc legend, while award-winning writer/producer Marshall Herskovitz will oversee development of an historical TV drama series inspired by the popular non-fiction book *Hitlerland*.

FME signed several deals in the **digital and new platform** field in 2012, announcing a new digital licensing agreement with Netflix to bring 115 hours of FME's catalogue to Netflix customers in the UK and Ireland. FME also signed a major first-look deal for international distribution rights to the online video service Hulu's original commission programming across all platforms. A similar deal was announced with independent multiplatform studio Vuguru.

RTL NEDERLAND

rt|4 RTL 7 8 rt|lounge rt|crime TELEKIDS

Financial results

The Dutch TV advertising market[14] was down by 5.4 per cent in 2012. Following an exceptional 2011, RTL Nederland achieved an advertising market share of 47.3 per cent in 2012 (2011: 47.7 per cent). The slightly lower share was mainly due to the fact that the public broadcasters presented both the live matches of the Euro 2012 football championship and the Olympic Summer Games in 2012.

Total revenue at RTL Nederland decreased to €431 million (2011: €491 million), mainly reflecting the deconsolidation of the Dutch radio stations Radio 538, Radio 10 Gold and Slam FM after the unwind of the transaction with Talpa Media Holding closed in December 2011. With the shortfall of profit contributions from its radio activities, and lower TV advertising revenue, the EBITA of RTL Nederland decreased to €97 million (2011: €134 million).

	Year to December 2012 €m	Year to December 2011 €m	Per cent change
Revenue			
TV, online and other	431	430	+0.2
Radio	–	61	–
Total	**431**	**491**	**(12.2)**
EBITA			
TV, online and other	97	108	(10.2)
Radio	–	26	–
Total	**97**	**134**	**(27.6)**

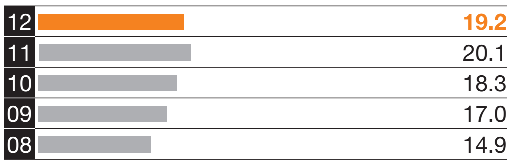
14 Spot and non-spot revenue

Audience ratings

RTL Nederland's family of channels achieved a combined prime time audience share of 32.3 per cent in the main commercial target group of viewers aged 20 to 49, down from 2011 (35.2 per cent) – mostly due to the broadcast of the Euro 2012 football championship and the Olympics on the public channels. However, RTL Nederland maintained the large gap to its main commercial competitor, SBS Group (20.0 per cent), and was also ahead of the public-service broadcasters (29.1 per cent).

RTL 4 **TV audience share**

Source: SKO. Target: shoppers 20–49 (18–24h) **2008–2012 (%)**



The family's flagship channel, **RTL 4**, scored an audience share of 19.2 per cent in its main target group of shoppers aged 20 to 49 (2011: 20.1 per cent) and was again market leader by a large margin, ahead of Nederland 1 (16.9 per cent) and SBS 6 (9.0 per cent). In January 2012, RTL 4 recorded its best January ratings since 1997, with a 21.4 per cent share in the target group.

RTL 4 commands a very strong position with its Friday talent shows *The Voice Of Holland* (average audience share among shoppers aged 20 to 49: 49.9 per cent), *The Voice Kids* (39.6 per cent) and *Holland's Got Talent* (34.6 per cent). The channel's new drama series, *Moordvrouw* – broadcast immediately after the talent shows – was very well received, as were *Ik Hou Van Holland, De TV Kantine* and *Van der Vorst Ziet Sterren*. Other new introduced prime time hit formats include *Divorce*, *Ushi & The Family*, *Ontvoerd, Mijn Leven In Puin, Prodeo* and *Mannen Van Een Zekere Leeftijd*.

RTL 4's access prime time – with *RTL Boulevard*, *Goede Tijden, Slechte Tijden* and *RTL Nieuws* – delivered strong ratings once again. *Goede Tijden, Slechte Tijden* reached a new record with 2.3 million viewers on 5 October 2012.

The summer campaign, *De Zomer van 4*, premiered during the Euro 2012 football championship with the episodes of *VI Oranje*. Against the public-service broadcaster, which attracted large audiences with the live broadcasts of the matches, *De Zomer van 4: VI Oranje* attracted an average audience share of 21.1 per cent immediately after the matches.

RTL 5 — **TV audience share**

Source: SKO. Target: 20–34 (18–24h) — 2008–2012 (%)

12	7.0
11	9.4
10	8.8
09	9.6
08	9.1

RTL 5 scored an audience share of 7.0 per cent in the 20 to 34-year-old demographic (2011: 9.4 per cent). This decline was caused by sporting events being broadcast on the public channels, and by underperforming reality shows such as *Top Chef*. Dutch productions are the most popular shows on RTL 5, including *Expeditie Robinson*, which was watched by an average 27.0 per cent of young adult viewers. Also popular was *Barbies Bruiloft* and *Barbies Baby,* which both attracted around 22 per cent of young viewers each week. *Echte meisjes Op Zoek Naar Zichzelf* and *Britt & Ymke* also did very well, drawing audience shares of 13.8 per cent and 10.2 per cent respectively. On Sundays, RTL 5 scored good ratings with *The Ultimate Dance Battle* (average audience share: 12.3 per cent).

RTL 7 — **TV audience share**

Source: SKO. Target: men 20–49 (18–24h) — 2008–2012 (%)

12	7.2
11	7.8
10	7.1
09	6.7
08	6.9

The men's channel **RTL 7** achieved an average audience share of 7.2 per cent among men aged 20 to 49 (2011: 7.8 per cent). Europa League football games attracted more than 30 per cent of viewers in

"In 2012 we successfully created a healthy basis for a future in which the media landscape will be in a constant state of flux. We had the courage to keep investing in our channels, especially during a year full of international sporting events and the Dutch elections. The result is a growing loyalty among our viewers. On top of that we are seeing steady growth across all our other activities, such as digital, live entertainment, our news organisation and our ventures. Financially we are in good shape, but above all we remain ambitious and dedicated when it comes to satisfying our customers' wishes."

BERT HABETS,
CEO, RTL NEDERLAND

the target group, and Formula One races 27.7 per cent. **RTL 8** reported an audience share of 3.0 per cent among female viewers aged 20 to 49 in 2012 (2011: 3.3 per cent).

RTL 8 — **TV audience share**

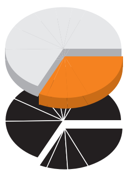
Source: SKO. Target: women 20–49 (18–24h) — **2008–2012 (%)**

12	3.0
11	3.3
10	3.2
09	3.3
08	3.4

Digital pay channels **RTL Lounge** and **RTL Crime** reached 7.6 million and 4.9 million viewers respectively, among viewers aged 6 and above. RTL Lounge is the fourth most popular digital channel in its target group of female viewers aged 13 and above, with a reach of 3.7 million viewers in this demographic. Since 10 September 2012, the new children's channel, **RTL Telekids**, has reached 2.0 million viewers aged 6 and older. In the core target group of children aged 3 to 8, RTL Telekids reached 407,000 viewers.

National audience breakdown

Source: SKO. Target: 20–49 (18–24h) — **2012 (%)**



RTL 4	**18.5**
RTL 5	**5.9**
RTL 7	**5.6**
RTL 8	**2.4**
Nederland 1	17.4
SBS 6	9.2
Nederland 3	7.8
Veronica	6.2
Net 5	4.7
Nederland 2	3.9
Others	18.4

New media and diversification activities

RTL Nederland's network of websites – including the general portal *RTL.nl*, the on-demand platform *RTLXL.nl*, the weather portal *Buienradar.nl*, and a variety of websites dedicated to popular formats – increased its average number of unique visitors per month (based on unique browsers) by 13 per cent to 17.4 million (2011: 15.4 million).

The total number of video views grew by 19 per cent to 465 million in 2012 (including syndication, but excluding Youtube; 2011: 390 million, including syndication). The most popular formats were episodes of the soap *Goede Tijden, Slechte Tijden*, the talent show *The Voice Of Holland*, and clips from *RTL Nieuws*, *RTL Boulevard* and *RTL Z*. The mobile app for **RTL XL** generated 104 million video views, and the company increased the number of screens on which RTL XL content is distributed by adding apps for Windows 8 and Xbox 360.

The Buienradar, RTL XL and RTL Nieuws 365 apps all ranked among Apple's list of the best Dutch apps for 2012. Buienradar ranked fourth, RTL XL ranked third and RTL Nieuws 365 appeared in ninth place.

In February, the online restaurant reservation portal *Couverts.nl* launched an app that makes reserving a table even easier. Meanwhile, during the summer, RTL Nederland launched an innovative app with an exclusive storyline to bridge the summer break when new episodes of *Goede Tijden, Slechte Tijden* are not being aired. Within a week of its launch, the app was downloaded 120,000 times, making it the highest ranking free download available from the App Store. In total, the app was downloaded 280,000 times and had 215,000 active players.

In September, RTL Nederland launched the new digital channel RTL Telekids. In cooperation with *Bol.com*, RTL Telekids developed an Android tablet especially for kids that has an advanced parental control function. The channel also has its own app.

In October, RTL Nederland acquired Videostrip – the Netherland's leading online video advertising network – thus strengthening the company's position in the digital advertising market.

RTL Ventures is RTL Nederland's central division for new business activities in new consumer markets. In early 2012, the division entered into a partnership with the internet entrepreneur Laurens Groenendijk and the Scandinavian fashion company Miinto. The Dutch joint venture is part of the international roll-out of the Miinto concept, and was launched in August 2012. In terms of connected stores (165 in 2012), *Miinto.nl* is the market leading sales platform operator for local boutiques in the Dutch market.

In September, RTL Nederland announced that the company would not only be engaging in television, digital and new business but would also be pooling its live entertainment activities in a separate business unit.

RTL BELGIUM

Financial results

The net TV advertising market in French-speaking Belgium was estimated to be down 7.7 per cent, with RTL Belgium broadly performing in line with the market. Total revenue of the profit centre decreased by 2.8 per cent to €210 million (2011: €216 million) as higher radio revenue partly compensated for lower TV advertising revenue. Total EBITA of RTL Belgium was almost stable at €45 million (2011: €46 million), despite lower TV advertising revenue.

	Year to December 2012 €m	Year to December 2011 €m	Per cent change
Revenue			
TV, online and other	157	165	(4.8)
Radio	53	51	+3.9
Total	**210**	**216**	**(2.8)**
EBITA			
TV, online and other	22	25	(12.0)
Radio	23	21	+9.5
Total	**45**	**46**	**(2.2)**

"Despite a sluggish TV advertising market and an increase in programme investments RTL Belgium maintained its profitability in 2012, thanks to improved operational efficiency and the strength of its radio business."

PHILIPPE DELUSINNE,
CEO, RTL BELGIUM

Audience ratings

Though combined prime time audience share of the RTL family of TV channels in the target group (shoppers aged 18 to 54) decreased to 36.3 per cent (2011: 37.8 per cent) its lead over the public broadcasters remained high, at 17.7 percentage points. Despite the competing public channels' popular broadcasts of the Summer Olympics and the Euro 2012 football championship, RTL Belgium achieved 76 of the top 100 programmes in French-speaking Belgium.

RTL-TVI **TV audience share**

Source: Audimétrie. Target: shoppers 18–54 (17–23h) 2008–2012 (%)

12	**27.3**
11	29.6
10	30.0
09	28.9
08	26.3

After 25 years on air, **RTL-TVI** has maintained its strong market-leadership position in French-speaking Belgium with an average prime time audience share of 27.3 per cent in the target group of shoppers aged 18 to 54 (2011: 29.6 per cent), 10.0 percentage points ahead of the second highest rated channel, the French commercial broadcaster TF1, and 14.6 percentage points ahead of the Belgian public broadcaster RTBF 1.

RTL-TVI is the leading news source for French-speaking Belgians, covering such events as the tragic school-bus incident of Sierre in March 2012, and the local elections in Belgium in October 2012 with special broadcasts. It is also the go-to channel for political coverage, with *Le Grand Direct* attracting an average total audience share of 26.1 per cent. For the US presidential elections, RTL-TVI created cross-media thematic programming spanning the news, *RTL Magazines*, documentaries, radio and the internet, thus reaching audiences across a multitude of screens and platforms.

The award-winning Friday news magazine *Reporter* enjoyed its best season to date, with an average of 403,000 viewers, translating into 27.2 per cent of the total audience. Newcomer personality magazine *Les Orages de la Vie* proved instantly popular, attracting an average 552,000 viewers in 2012.

RTL-TVI also offers its audience a strong line-up of international series. Audience favourite *Dr House* finished its eight-season run with an average share of 36.7 per cent among shoppers aged 18 to 54. *NCIS* remained the channel's top series, with an average audience share of 34.8 per cent.

In 2012, RTL-TVI pursued its strategy of increasing the number of prime time entertainment formats. RTL-TVI and M6 in France were successful at presenting the third season of *Top Chef* to an average audience of 36.8 per cent among shoppers aged 18 to 54, as well as the new format *Le Meilleur Pâtissier* (average audience share among shoppers aged 18 to 54: 31.7 per cent). Local Belgian adaptations of successful FremantleMedia formats outperformed the competition in 2012. Season 4 of *L'amour est dans le pré* (The Farmer Wants A Wife) won an average 37.3 per cent in the main commercial target group of shoppers aged 18 to 54. *Belgium's Got Talent* was the number one entertainment show in French-speaking Belgium, averaging 671,000 viewers and 38.7 per cent in the main commercial target group. Local comedy shows – such as the monthly *Les Gens d'en Bas* – were big audience draws in 2012.

Club RTL **TV audience share**

Source: Audimétrie. Target: men 18–54 (17–23h) 2008–2012 (%)

12	**6.4**
11	5.5
10	5.5
09	7.1
08	7.2

In 2012, **Club RTL** strengthened its positioning as a male-oriented channel, increasing its average audience share in the target group (men aged 18 to 54) to 6.4 per cent (2011: 5.5 per cent). Football is one of the channel's flagship formats, and will continue to be so for the next three years as Club RTL has secured the rights to Tuesday and Wednesday Champions League nights and the Europa League, starting in September 2012. National matches also proved popular in 2012, with 751,300 viewers following September's Belgium vs Croatia match. The audience share among men aged 18 to 54 was 55.2 per cent. The successfully revamped Monday film night gained a solid 2.2 percentage points year-on-year, with an average 8.4 per cent among men aged 18 to 54 in 2012 (2011: 6.2 per cent).

In March 2012, all children's programmes were combined under the Kidz RTL umbrella brand, broadcast on Club RTL in the mornings.

Plug RTL **TV audience share**

Source: Audimétrie. Target: 15–34 (17–23h) 2008–2012 (%)

12	**3.8**
11	3.4
10	3.8
09	4.8
08	4.4

Plug RTL, the youth and lifestyle channel that complements the Belgian TV family, reported a prime time audience share among young viewers aged 15 to 34 of 3.8 per cent (2011: 3.4 per cent). In 2012, the channel introduced French scripted reality into access prime time with *Les Anges de la Télé Réalité* (averaging 7.2 per cent among viewers aged 15 to 34) and *Les Ch'tis* (4.6 per cent).

In prime time, Plug RTL offers a mix of fiction and French entertainment shows such as *Pékin Express* (8.7 per cent among viewers aged 15 to 34) and *Nouvelle Star* (Idols), which captured 18.7 per cent in its main target group for the three episodes broadcast in 2012.

The Red Bull Stratos jump drew huge numbers for the channel. The ten minutes of the actual jump attracted 708,000 viewers, which translated into

Bel RTL — **Radio audience share**

Source: CIM Radio (Spring Wave). Target: 12+ — 2008–2012 (%)

12	**16.6**
11	16.6
10	18.8
09	17.2
08	19.5

Radio Contact — **Radio audience share**

Source: CIM Radio (Spring Wave). Target: 12+ — 2008–2012 (%)

12	**15.1**
11	15.6
10	16.8
09	17.9
08	15.1

an audience share of 49.0 per cent among young viewers, and a total audience share of 35.5 per cent.

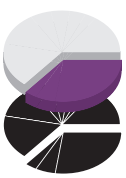
According to the CIM audience survey covering April to June 2012, **Bel RTL** remained the general-interest leader in French-speaking Belgium (winning 16.6 per cent of all listeners aged 12 and older, unchanged to 2011), ahead of **Radio Contact** (audience share: 15.1 per cent; 2011: 15.6 per cent), the leading music station and the number two French-language radio station.

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

Radio Contact extends beyond its FM distribution through the web and Radio Contact Vision, a digital video version of the radio programme. These new platforms increase the net reach of the music station by more than 10 per cent every day.

French-speaking Belgium audience breakdown

Source: Audimétrie. Target: shoppers 18–54 (17–23h) — 2012 (%)



RTL-TVI	**27.3**
Club RTL	**5.7**
Plug RTL	**3.3**
TF1	17.3
La Une	12.7
La Deux	5.8
France 2	5.2
AB 3	4.6
France 3	2.9
Others	15.2

New media and diversification activities

During the year after its launch, the *RTL.be* website became the leading news website in Southern Belgium, with 1.6 million unique visitors each month, according to CIM Metriweb.

Video remains a cornerstone of RTL's online services in Belgium. In 2012, 73 million online videos were watched across all digital platforms, almost doubling 2011's 37 million views. By the end of 2012, the app version of *RTL.be* had been downloaded 300,000 times. 16 per cent of *RTL.be*'s traffic came from mobile devices. The second screen app for tablets and smartphones, launched in April 2012, registered almost 100,000 downloads within six months.

RTL RADIO (FRANCE)

Financial results

In a net radio advertising market estimated to be down 1.2 per cent, the French radio profit centre reported revenue of € 180 million (2011: € 184 million). The net advertising share of the RTL radio family decreased slightly to 26.1 per cent (2011: 26.4 per cent). Despite difficult market conditions, the reported EBITA of the French radio profit centre was stable at € 30 million, helped by voluntary cost reduction and the dynamic development of the unit's diversification activities.

	Year to December 2012 €m	Year to December 2011 €m	Per cent change
Revenue	**180**	**184**	**(2.2)**
EBITA	**30**	**30**	**–**

Audience ratings

The French RTL radio family maintained its market leadership in 2012. With a combined average audience share of 18.3 per cent (2011: 19.2 per cent), the unit's three stations – RTL, RTL 2 and Fun Radio – continued to lead over their main commercial competitors, the radio families of NRJ (14.8 per cent; up 0.3 percentage points on 2011) and Lagardère (12.6 per cent; stable on 2011).

RTL Radio — **Radio audience share** 2008–2012 (%)

Source: Médiamétrie. Target: 13+

12	11.6
11	12.1
10	12.4
09	12.4
08	13.0

In an environment that remains competitive, **RTL Radio** was the number one station in France for the tenth consecutive year. The station reinvigorated its news programmes in all time slots – morning, noon and evening – starting in September 2012. This helped the flagship station to lead on all key ratings criteria, delivering an average cumulated audience of 6.3 million daily listeners (down 0.1 million on 2011) and an average daily time spent listening of 141 minutes (stable on 2011). With an average audience share of 11.6 per cent (2011: 12.1 per cent) RTL Radio led its closest competitor by 1.5 percentage points.

Entertainment programmes also experienced an increase in listeners. While *A la bonne heure* increased its audience share by 8 percentage points, *Les grosses têtes* – which celebrated 35 years on the air in 2012 – achieved a 9 percentage point increase. Both entertainment programmes were number one in their respective time slots.

Fun Radio achieved an audience share of 3.8 per cent in 2012 (down 0.4 percentage points on 2011, and in line with the French music radio segment),

Fun Radio — **Radio audience share** 2008–2012 (%)

Source: Médiamétrie. Target: 13+

12	3.8
11	4.2
10	4.1
09	3.8
08	3.8

confirming its status as the number three French music station. The popular morning show *Bruno dans la Radio* wakes 1.7 million listeners every morning. The station also proved popular on the social networks, gathering a combined 1.6 million Facebook fans for the Fun Radio, and *Bruno dans la Radio* pages, and 800,000 Twitter followers for *Bruno dans la Radio* alone.

RTL 2 — **Radio audience share**

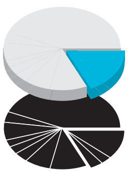
Source: Médiamétrie. Target: 13+ — 2008–2012 (%)

12	**2.9**
11	2.9
10	2.8
09	2.9
08	3.0

In 2012, **RTL 2** maintained its 2011 audience share of 2.9 per cent and gathered an average 2.6 million listeners a day (up 0.1 million on 2011). Listened to by an average 1.2 million people each morning, *Le Grand Morning* – the station's morning show driven by hosts Christophe Nicolas and Agathe Lecaron – reached its highest ratings ever for the sixth consecutive season.

National audience breakdown

Source: Médiamétrie. Target: 13+ — 2012 (%)



General-interest radio networks	
RTL	**11.6**
France Inter	10.1
Europe 1	7.4
Music radio networks targeting adults	
RTL 2	**2.9**
Nostalgie	3.8
RFM	3.1
Chérie FM	2.7
Music radio networks targeting young listeners	
Fun Radio	**3.8**
NRJ	6.9
Skyrock	4.1
Other formats	43.6

New media and diversification activities

In 2012, **RTL Net**, the profit centre's digital subsidiary, gathered on average almost 4 million unique visits per month and achieved an increase of 7.0 per cent in cumulated audience compared to 2011. RTL Radio's website, *RTL.fr*, reinforced its position as the main player in the general-interest radio market, with almost 2.8 million unique visitors per month (up 0.2 million on 2011). RTL podcast downloads increased over the year to 4.4 million and maintained the number two position in 'Catch-Up Radio' in 2012, according to Médiamétrie. RTL's services accounted for 20 per cent of radio podcasts downloaded in France in 2012. RTL has also been proactive in terms of online video, generating over 12 million video views during the year.

"Radio has two major advantages: it is equipped for the digital age, and it is the advertisers' preferred media in times of crisis. Therefore, even in a changing environment, RTL Radio delivers a steady performance."

CHRISTOPHER BALDELLI, CEO, RTL RADIO (FRANCE)

Two new websites were successfully launched: *Funradio.fr* for the October 2012 *Starfloor* live dance event, with a strong interactive and social dimension through Facebook connectivity; and *RTLAuto.fr* for the Paris Motor Show in September 2012. This was the sixth thematic website from RTL Radio in France, this time fully dedicated to automobile news.

Thanks to RTL Net's aim of being universally available, the company's mobile app became the first radio app to launch on Windows 8 in 2012.

RTL Special Marketing, the diversification branch of the French RTL radio family, launched the fourth edition of the sell-out live dance event, *Starfloor*, in Paris, which was attended by 17,000 people. Aired successfully on Groupe M6's channel W9 and on radio stations in France, Belgium and Spain, *Starfloor* provided a record number of connections on digital platforms, social networks and mobile applications: *Funradio.fr* in particular scored high usage figures that day, with 223,000 visits and 730,000 page views.

While the music market in France was estimated by SNEP to be down 7.8 per cent in September 2012, RTL Special Marketing continued to act as a major player in the music compilation market, selling a total of 446,500 music albums last year (up 2.7 per cent on 2011).

OTHER SEGMENTS

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

RTL Klub in Hungary: In 2012, the Hungarian net TV advertising market continued to decline significantly, by an estimated 14.7 per cent. This difficult economic environment, combined with the ongoing fragmentation of the highly competitive Hungarian TV market, underlines the rationale of RTL Group's acquisition of seven cable channels in 2011 to build a complementary family of channels and maintain market leadership in Hungary.

RTL Klub **TV audience share**

Source: AGB Hungary. Target: 18–49 (prime time) **2008–2012 (%)**

Year	%
12	24.7
11	29.8
10	29.1
09	30.7
08	32.6

The combined TV advertising market share of the main channel, RTL Klub, and the newly acquired RTL cable channels was 54.0 per cent. This compares to RTL Klub's advertising share of 47.9 per cent in 2011.

Total consolidated revenue of the profit centre was €101 million (2011: €99 million) as revenue from the cable channels compensated for the significant decrease of RTL Klub's advertising sales. Total EBITA was €9 million (2011: €15 million), helped by profit contributions from the RTL cable channels.

The combined prime time audience share of the new RTL family of channels in the key demographic of 18 to 49-year-old viewers was 37.3 per cent (2011: 40.7 per cent). For ten consecutive years, RTL Klub has been the most watched channel in Hungary – both among the country's total audience and in the key demographic of 18 to 49-year-old viewers. Following a very strong performance in 2011, the prime time audience share of RTL Klub decreased to 24.7 per cent (2011: 29.8 per cent) among viewers aged 18 to 49. The decline was largely due to the highly competitive Hungarian market, with more than 100 TV channels available in Hungarian language. In addition, the public broadcaster aired the Euro 2012 football championship and the Olympic Games. Despite this decrease, RTL Klub was 6.9 percentage points ahead of its main commercial competitor TV2 in prime time (2011: 10.5 percentage points).

The channel broadcasts audience favourites such as the talent shows *X Faktor* (average audience share:

46.2 per cent) and *Csillag születik* (average audience share: 37.1 per cent), the daily soap *Barátok közt* (Between Friends), the game show *Egy perc és nyersz* (Minute to Win It), the quiz show *A kód* (Cash My Memory) and RTL Klub's news and information programmes. RTL Klub also introduced in 2012 a new genre of scripted reality to the Hungarian television market, *A gyanú árnyékában* (Cases Of Doubts; average audience share: 31.0 per cent). RTL Klub was the most-watched channel in the target group on 299 out of 365 evenings, and aired 91 of the 100 most-watched TV programmes of the year – the first 17 of which were *X Faktor* episodes.

With an average prime time audience share of 6.0 per cent among viewers aged 18 to 49, Cool was the country's most-watched cable channel. With an audience share of 4.7 per cent in the same target group, Film Plusz was the leading Hungarian movie channel.

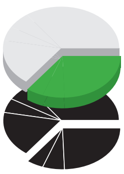
Launched in October, RTL II got off to a promising start, attracting an average audience share of 0.8 per cent among viewers aged 18 to 49 between October and December 2012. In prime time, the channel's audience share was 0.5 per cent. Among the 55 channels that sell commercial airtime in Hungary, RTL II ranked 17th by the end of 2012.

RTL's entire family of cable channels in Hungary (Cool, Film Plusz, RTL II, Film Plusz Two, Prizma, Sorozat Plusz, Muzsika TV, and Reflektor TV) achieved a combined prime time audience share of 12.6 per cent. This represents an increase of 1.7 percentage points compared to 2011. RTL's cable channels are the country's most-watched group of cable channels.

The channel's catch-up TV service, RTL Most, generated 50 million long-form video views in 2012, (2011: 66.8 million), while other online video views declined to 33 million (2011: 113 million), mainly due to the fact that the popular daily reality show *Való Világ* was on air for just two months in 2012 – and the format had been one of the key drivers for online video views in 2011.

National audience breakdown

Source: AGB Hungary. Target: 18–49 (prime time) — 2012 (%)



	2012 (%)
RTL Klub	**24.7**
Cool	**6.0**
Film Plusz	**4.7**
TV 2	17.8
MTV 1	6.3
Viasat	5.6
Others	34.9

"2012 has been a crucial year due to our cable portfolio acquisition which has enabled us to build the market's strongest family of channels, thus allowing us to strengthen our total TV offer as well as entering the subscription market as a second strategic source of revenue. By operating a total of eight channels, we are now strongly positioned for the challenges of a fragmented market heading towards full digitisation."

DIRK GERKENS,
CEO, RTL KLUB

"RTL Hrvatska again demonstrated its potential for innovation by bringing the series *Sulejman veličanstveni* (The Magnificent Century) to Croatia."

JOHANNES ZÜLL,
CEO, RTL HRVATSKA

RTL Hrvatska: In a TV advertising market that fell by an estimated 9.0 per cent in 2012, RTL Hrvatska's revenue dropped to €31 million (2011: €37 million). The profit centre's net TV advertising market share decreased to 36.8 per cent (2011: 40.9 per cent), while EBITA was down to minus €9 million (2011: €0 million). The profit centre's operating free cash flow was €0 million (2011: €2 million).

RTL Televizija — **TV audience share**

Source: AGB Nielsen Media Research. Target: 18–49 — 2008–2012 (%)

12	19.4
11	20.6
10	24.5
09	26.2
08	26.4

RTL Hrvatska operates two free-to-air channels – RTL Televizija and RTL 2. The combined audience share of the two channels in the key commercial target group of viewers aged 18 to 49 was 24.3 per cent (2011: 25.5 per cent). The profit centre's flagship channel, RTL Televizija, achieved an average audience share of 19.4 per cent among young viewers, down from 20.6 per cent in 2011. This decrease was due to further fragmentation of the market with the launch of new national channels. In prime time – the most important timeslot – the RTL family reported a stable combined audience share of 27.5 per cent, despite 2012 having been a strong sports year. In this timeslot, RTL 2 remained the country's most popular second-generation channel, with an average audience share of 5.6 per cent in its key target group (2011: 4.2 per cent).

The Turkish soap *Sulejman veličanstveni* (The Magnificent Century), broadcast daily in prime time, scored an average audience share of 31.2 per cent and became the biggest TV phenomenon of 2012 in Croatia, achieving peak shares of more than 40 per cent. The series has sparked new trends and became a major topic of conversation at family and office gatherings.

Local programmes continued to be a vital part of RTL Televizija's programming schedule. The third season of the docu soap *Ljubav je na selu* (The Farmer Wants A Wife), produced by FremantleMedia and broadcast on RTL Televizija, was one of the most popular shows on Croatian TV, with an average audience share of 38.2 per cent of the target audience. The first season of *Ruza Vjetrova*, RTL Hrvatska's local daily drama series, scored an average audience share of 25.5 per cent in the most competitive slot in prime time.

The first documentary produced entirely by RTL Televizija – entitled *Missing Smile: Antonia Bilic*, about the tragic death of a missing 17-year-old – became the most watched show in autumn on Croatian television, with an audience share of 42.0 per cent.

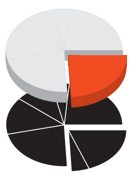
RTL Televizija's main news programme, *RTL Danas*, broadcast daily at 18:30, continued to draw large audiences, with an average share of 29.9 per cent among young viewers. In autumn, the celebrity magazine *Exkluziv Tabloid* increased its average audience share by 11.0 per cent, to 25.1 per cent in the target group. *Krv nije voda* (Family Affairs), the scripted reality format produced by Constantin Entertainement, continued to draw large audiences. American series such as the *CSI* franchise and *The Mentalist* also remained very popular.

In July 2012, RTL 2 scored its best ratings since its launch in January 2011. The channel attracted an average of 7.1 per cent of viewers in prime time. American sitcoms such as *Modern Family*, *The Big Bang Theory* and *Two And A Half Men* proved particularly popular with Croatian viewers in prime time.

The profit centre's websites collectively generated 15 million online video views during the reporting period, including over 5 million video views through its catch-up TV platform, RTL Sada (RTL Now). The service provides the opportunity for time-shifted viewing of formats brodcast on RTL Televizija and RTL 2. Since May 2012, RTL Sada has been available on TV screens thanks to cooperation with IPTV operator H1 Telekom. In 2012, the RTL app was downloaded over 150,000 times, making it one of the most popular news apps in Croatia.

National audience breakdown

Source: AGB Nielsen Media Research. Target: 18–49 — 2012 (%)



RTL Televizija	**19.4**
RTL 2	**4.9**
Nova	22.3
HTV 1	14.4
HTV 2	10.4
Doma	5.1
Others	23.5

In 2012, RTL remained the number one media brand in the Grand Duchy of Luxembourg. Combining its TV, radio and internet activities, the **RTL Lëtzebuerg** media family achieved a daily reach of 82.4 per cent of all Luxembourgers aged 12 and over.

When it comes to news and entertainment, RTL Radio Lëtzebuerg continues to be the station inhabitants turn to, with 185,300 listeners each weekday. Meanwhile, RTL Télé Lëtzebuerg attracts 131,700 viewers a day, representing a prime time audience share of 49.2 per cent (Luxembourgish viewers aged 12 and over, Monday to Friday, 19:00 to 20:00).

RTL Télé Lëtzebuerg broadcasts its entire content in HD and has enriched its news services, with a newly launched 10-minute investigative magazine, *Top Thema Magazin*, airing weekdays at 19:00. In access prime time, *20vir Spezial* covers leisure, recreation, gastronomy, and lifestyle. The channel also broadcasts popular sports programmes, and its live coverage of national and international sporting events has expanded over the past few years.

RTL Lëtzebuerg's online portal, *RTL.lu*, is the country's most visited website, with a daily reach of 23.7 per cent among Luxembourgers aged 12 and over. RTL launched several free apps for the I-Phone, I-Pad and Android devices during the year, featuring news, cultural calendars, catch-up TV services and live radio. They have recorded over 250,000 downloads, making them among the most popular applications in Luxembourg.

RTL Lëtzebuerg — **Daily reach**

Source: TNS-ILRes Plurimedia 2011. Target: Luxembourgers 12+

	2012 (%)
RTL Radio Lëtz.	56.1
RTL Télé Lëtz.*	40.3
RTL.lu	23.7
RTL Lëtzebuerg	**82.4**

*Including Den 2. RTL

"The RTL media family in Luxembourg reaches 82.4 per cent of all Luxembourgers every day."

ALAIN BERWICK,
CEO, RTL LËTZEBUERG

In 2012, **BCE**, RTL Group's technical-services provider, launched the HD broadcasting platform of public French-German broadcaster Arte, in Strasbourg. The company also finished the multimedia installation of the European Conference Centre in Luxembourg, started a studio installation for l'Equipe 21 in France, and upgraded the playout technology for RTL Televizija in Croatia. BCE started the digitisation of 20,000 music video clips for M6 in France and the video archives of the Council of Europe in Brussels. RTL Nederland and BCE launched the new channel RTL Telekids, and BCE launched the new French-speaking martial-arts channel Kombat Sport. A new teleport infrastructure was introduced to improve the exchange of data between its customers via satellite. A Google Widevine-certified implementation partner for both video-on-demand and streaming, BCE now works on various IT projects, such as the hosting of TV5 Monde's connected-TV applications, and, in November 2012, installed and supported the launch of integrated television services for Big RTL Thrill in India.

"2012 was a challenging year for us. Despite ongoing fragmentation, our radio stations once again significantly outperformed the German radio market. They enjoy the highest regard among listeners and do well in the competition between different media. The strategy paid off with a record EBITA for our company."

GERT ZIMMER,
CEO, RTL RADIO DEUTSCHLAND

In 2012, **RTL Radio Deutschland**, RTL Group's German radio holding company, achieved record EBITA of €12 million (2011: €11 million). Revenue remained stable at €52 million.

While commercial radio in general grew its average hourly reach by 1.5 per cent year-on-year among listeners aged 10 and older, RTL Radio Deutschland's portfolio significantly outperformed the market with an increase of 8.8 per cent.

In Berlin, Germany's most competitive radio market with more than 30 FM stations, 104.6 RTL remained the market leader. The station increased its audience share from 11.8 per cent to 13.4 per cent among listeners aged 10 and older.

RTL Radio Center Berlin's second station, 105.5 Spreeradio, recorded an audience share of 7.3 per cent among listeners aged 10 and older, and is the fourth most listened-to radio station in Berlin (2011: 9.5 per cent).

In Bavaria, Antenne Bayern was the first station in the history of German radio to beat the threshold of 1.3 million listeners per hour. By achieving this historic high, Antenne Bayern leads the ranking in Bavaria, and also the nationwide radio ranking ahead of all other radio stations (audience share among listeners aged 10 and older: 27.7 per cent; 2011: 19.4 per cent).

In Saxony-Anhalt, the two radio stations of the Funkhaus Halle broadcasting centre, 89.0 RTL and Radio Brocken, increased their combined audience share among listeners aged 10 and older by 8.9 percentage points to 27.5 per cent. In Northern Germany, Radio Hamburg had more listeners than ever before in its 25 year history. With a 24.6 per cent audience share, the station is the undisputed market leader in Hamburg (2011: 23.1 per cent).

Also in 2012, 11 large German commercial radio stations pooled their resources to become the officially licensed radio stations of the Uefa Euro – coordinated by RTL Radio Center Berlin. Together, they provided live coverage of all football matches and the German national team's path in Poland and Ukraine. This put the stations in a position to treat listeners to special experiences during one of the world's biggest sporting events, and gave advertisers an attractive environment.

At the end of the year, RTL Group's German radio portfolio encompassed participations in 19 stations, most of which are minority holdings because of restrictions on media ownership in Germany. The stations in the portfolio collectively reach a total of 27.8 million listeners per day (2011: 27.2 million), and have a combined average audience of nearly six million listeners per hour.

In 2012, **UFA Sports** continued to expand its portfolio, founding a Corporate Hospitality unit, signing an exclusive cooperation agreement with travel operator Dertour, and enhancing its cooperation with the Royal Spanish Football Federation. This partnership now encompasses the marketing of the international media rights for the national team and Spain's premier club cup tournament, the Copa del Rey, in ten countries across Asia and Europe. In April 2012, the Polish Olympic Committee (PKOl) and UFA Sports Poland signed a long-term partnership deal, making UFA Sports Poland the PKOl's exclusive marketing partner until at least 2016.

In September 2012, UFA Sports and the NBA extended their partnership, which sees UFA Sports as the marketer of media rights for the NBA in Sub-Saharan Africa. In October, UFA Sports signed a contract for marketing the advertising rights of the Men's World Handball Championship 2013 in Spain for all matches of the German and Polish national teams.

Antena 3 — **TV audience share**

Source: TNS Sofres. Target: 16–54 — 2008–2012 (%)

12	**12.5**
11	11.7
10	11.8
09	15.4
08	16.8

Grupo Antena 3 in Spain: In December 2011, Grupo Antena 3 and La Sexta signed an agreement for the merger of the two broadcasting companies. This was approved by the companies' Boards and Shareholders' Meetings, and following final regulatory approval La Sexta was absorbed into Grupo Antena 3 in October 2012.

La Sexta's shareholders received 7 per cent of the share capital of the new Grupo Antena 3, in exchange for the assignment of all assets and liabilities in the company. To enable this transaction, Grupo Antena 3 first increased its capital by means of a new share issue. The agreement also includes the allocation of an additional stake of up to 7 per cent to the shareholders of La Sexta in a graduated manner and subject to the achievement of a series of targets linked to the results of the new group during the period 2012 to 2016.

By incorporating La Sexta's TV channels, the new Grupo Antena 3 has augmented its strong presence in other markets – such as radio, advertising and cinema – with a leading proposal in the TV business. A family of eight channels (Antena 3, La Sexta, Neox, Nova, Nitro, Xplora, La Sexta 3 Todo Cine and Gol TV – the latter on a lease basis) provides a complementary and varied offer to meet the needs of both viewers and advertisers. RTL Group owns a stake of 20.5 per cent in the new Grupo Antena 3.[15]

Though the Spanish TV advertising market declined by an estimated 18.9 per cent in 2012, Grupo Antena 3 clearly outperformed the market, with TV advertising sales decreasing by just 5.0 per cent. As a result, the company's net share of the Spanish TV advertising market increased significantly to 35.2 per cent (2011: 30.5 per cent).

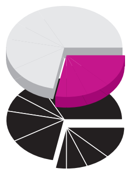
The main channel, Antena 3, increased its audience share in the commercial target group of viewers aged 16 to 54 to 12.5 per cent (2011: 11.7 per cent). Including the digital channels Neox, Nova and Nitro, the Grupo Antena 3 family grew its combined audience share to 19.2 per cent in the target group (2011: 18.4 per cent). Including the channels of La Sexta for the last quarter of 2012, Grupo Antena 3's combined audience share for 2012 was 21.8 per cent.

On a 100 per cent basis, consolidated revenue of Grupo Antena 3 dropped to €741 million (2011: €805 million), while operating profit (EBITDA) decreased to €39.5 million (2011: €124 million) and net profit fell to €32 million (2011: €93 million).

The profit share of RTL Group (EBITA contribution) was €6 million (2011: €20 million).

National audience breakdown

Source: TNS Sofres. Target: 16–54 — 2012 (%)



Antena 3	**12.5**
Grupo Antena 3 digital channels	**6.7**
La Sexta	**5.8**
La Sexta digital channels	**3.1**
Telecinco	13.3
TVE (TVE 1 + La 2)	12.0
Cuatro	7.6
Forta	6.7
Others	32.3

RTL Group has applied for a building permit at its Luxembourg headquarters which will involve the construction of a new building to host RTL Group's **Corporate Centre** and its Luxembourgish activities. Based upon a provisional timing the first phase of the construction could start during the first half of 2013.

15 *After deduction of treasury shares held by the entity*

Main portfolio changes

On 2 January 2012, RTL Group completed the acquisition of a 100 per cent stake in Gutscheine.de HSS GmbH which operates online couponing sites. The acquisition strengthens RTL Group's position in Germany within the online market.

On 20 February 2012, RTL Group completed the full disposal of the shares held in Alpha Media Group (AMG) to Demco, a non-controlling shareholder. At 31 December 2011, AMG was classified as a disposal group and qualified as a discontinued operation.

On 1 October 2012, Grupo Antena 3 completed the absorption of Gestora de inversiones Audiovisuales La Sexta SA (La Sexta).

On 11 October 2012, RTL Group completed the acquisition of a 100 per cent stake in Videostrip BV, the largest online video advertising network in the Netherlands.

Share of results of associates

	Year to December 2012 €m	Year to December 2011 €m	Per cent change
– Grupo Antena 3	(66)	20	n.a
– RTL II	13	13	–
Others	–	5	n.a
Total	**(53)**	**38**	**n.a**

The total contribution of the associated companies decreased to a loss amounting to €53 million (2011: €38 million). The main reason for this was the impairment against the Group's carrying value of Grupo Antena 3, for an amount of €72 million, and a €10 million impairment against the Group's carrying value of Ad Society, which is fully impaired.

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

Net interest expense amounted to €10 million (2011: expense of €2 million) and is primarily stemming from lower overall interest income, due to the low interest rate environment.

The financial results other than interest include the re-measurement of put options at year-end, movements in available-for-sale investments, and changes in fair value on other financial assets.

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

This heading includes the costs related to the amortisation of fair value adjustments (mainly Groupe M6).

Impairment of investment in associates

An impairment loss amounting to €82 million was recorded (2011: €6 million relating to a Group production company), due to an impairment against the Group's carrying value of Grupo Antena 3, for an amount of €72 million, and a €10 million impairment against the Group's carrying value of Ad Society, which is fully impaired.

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

A loss of €9 million from the sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree was recognised in 2012 (2011: non-cash gain of €107 million). This loss mainly relates to the dilution in the Group's shareholding in Grupo Antena 3 following the acquisition by Grupo Antena 3 of La Sexta.

Income tax expense

In 2012, the tax expense was €277 million (2011: expense of €302 million).

Following the PLP agreement (see heading "Related party transactions"), which was approved by the Board on 26 June 2008, a commission income of €69 million, representing 50 per cent of the tax benefit generated at the level of Bertelsmann, has been recorded in tax for the year (2011: €69 million).

Loss from discontinued operations

The loss from discontinued operations for the year of €1 million relates solely to Alpha Media Group (2011: loss of €96 million relating mainly to Alpha Media Group).

Profit for the year attributable to RTL Group shareholders

The profit for the year attributable to RTL Group shareholders was €597 million (2011: €696 million).

Earnings per share

Reported earnings per share, based upon 153,618,853 shares, was €3.88 (2011: €4.53 per share).

Net cash position

The consolidated net cash position at 31 December 2012 was €1,051 million (31 December 2011: €1,238 million). The Group continues to generate significant operating cash flow with an EBITA to cash conversion ratio of 101 per cent (2011: 104 per cent).

	As at 31 December 2012 €m	As at 31 December 2011 €m
Gross balance sheet debt	(29)	(53)
Gross financial debt	**(29)**	**(53)**
Add: cash and cash equivalents	650	701
Add: cash deposit and others	430	590
Net cash position	**1,051**[16]	**1,238**

16 *Of which €313 million held by Groupe M6 (2011: €327 million)*

Own shares

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

RTL Group directly and indirectly holds 0.76 per cent (2011: 0.76 per cent) of RTL Group's shares.

Related party transactions

Financing

As at 31 December 2012 RTL Group had various deposits (overnight and up to three months) amounting to €426 million (2011: €589 million) with Bertelsmann. These deposits bear an interest rate of either EONIA or EURIBOR plus 10 basis points depending on the duration of the deposit. The overnight deposit has subsequently been rolled over. The total interest income on these deposits for the period ending 31 December 2012 amounted to €3 million (2011: €8 million).

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

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

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

In December 2011, RTL Group Deutschland GmbH – a Group company – and Bertelsmann entered into an agreement related to the deposit of surplus cash by RTL Group Deutschland GmbH with Bertelsmann. Bertelsmann pledged to RTL Group Deutschland GmbH its aggregate current partnership interest in Gruner + Jahr AG & Co KG as well as all additional partnership interests in Gruner + Jahr it may create or acquire as security for all payments due by Bertelsmann. As at 31 December 2012 the three-month deposit of RTL Group Deutschland GmbH with Bertelsmann amounted to €75 million (2011: €50 million).

Tax

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

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

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

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

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

These Agreements increase the Group's net profit. As at 31 December 2012, the balance payable to BCH amounts to €191 million (2011: €278 million) and the balance receivable from Bertelsmann amounts to €122 million (2011: €209 million).

The Commission recognised by CLT-UFA, a direct subsidiary of RTL Group, in 2012 amounts to €69 million (2011: €69 million).

Significant litigations

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

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

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

Several subsidiaries of the Group are being sued by smaller broadcasters in Germany seeking disclosure. The proceedings succeed the imposition of a fine by the German Federal Cartel Office with regard to discount scheme agreements ("share deals") IP Deutschland GmbH and SevenOne Media GmbH granted to media agencies in 2007. The German Federal Cartel Office argued that these discounts would create a pull of advertising clients towards the larger broadcasters of RTL Group and ProSiebenSat1 and would foreclose the advertising market for smaller, less powerful broadcasters. IP Deutschland GmbH, RTL Television GmbH, Vox Television GmbH, RTL Disney Fernsehen GmbH & Co. KG and N-TV Nachrichten GmbH are being sued in this respect by RTL 2 Fernsehen GmbH & Co. KG and El Cartel Media GmbH & Co. KG before the regional court of Düsseldorf, Germany and by MTV Networks Germany GmbH as well as Tele-München-TV GmbH before the regional court in Munich, Germany. The claimants demand disclosure of the advertising bookings in the past in order to determine and substantiate a possible claim for damages. TeleMünchen-TV GmbH was unsuccessful in the first instance. Its appeal was turned down by the higher regional court of Munich, Germany.

At the end of 2012, RTL settled two proceedings with the German Federal Cartel Office (FCO). The FCO issued these decisions on 27 December 2012. In the first decision, the FCO imposed fines totalling approximately €55 million on ProSiebenSat1 and RTL Television GmbH as well as two individuals with regard to anticompetitive concerted practices regarding the encryption of digital free TV programmes and signal protection measures in 2005/2006. In the second decision, ProSiebenSat1 and RTL Television GmbH, RTL 2 Fernsehen GmbH & Co. KG and RTL Disney Fernsehen GmbH & Co. KG bindingly committed to the FCO to broadcast their main channels in SD-Quality unencrypted via cable, satellite and IPTV (except for IPTV platforms operated (i) by companies that don't have their own network or (ii) by companies that have their own network and operate IPTV platforms outside such network) for ten years starting from the later of 1 January 2013 or the commencement of unencrypted SD distribution by the relevant network operators. They further committed that to the extent SD signals are encrypted on IPTV platforms to not restrict recording, forwarding and skipping functionalities. Encryption of HD channels on all distribution channels remains possible and is not affected by the decision. The parties agreed to settle the case in accordance with section 32b of the German Act Against Restraints of Competition.

The FCO's second decision was appealed by Kabel Deutschland (KDG) before the Court of Appeal in Düsseldorf on 25 January 2013. KDG had argued in the FCO proceedings (to which it was a party) that the commitments accepted by the FCO do not address the allegedly anticompetitive practices in relation to the HD channels but rather implement new anticompetitive agreements for SD broadcasting, and that they impose the obligation of an inefficient SD/HD-Simulcast and interfere with the entrepreneurial freedom of network operators. These objections were dismissed by the FCO in the commitments decision and based thereon RTL Group is confident that the FCO's decision will be upheld by the court. If the appeal were successful, the Court of Appeal would remand the proceedings to the FCO.

Brandi Cochran ("BC") was employed as a model on the television series *The Price Is Right* from July 2002 until February 2010 and is claiming wrongful termination and other allegations due to her gender and pregnancy. Her claim was brought against FremantleMedia. The court allowed BC to proceed to trial.

The court entered judgement on 17 January 2013 and awarded damages in the amount of $8,536,384 (compensatory damages of $766,944 and punitive damages of $7,769,440; subject to interest at the rate of 10 per cent per annum until paid) plus attorney's fees. Fremantle Media is appealing the verdict.

Principal risks and uncertainties

Principal risks and uncertainties are disclosed in note 3. to the consolidated financial statements for the financial risks (pages 160 to 167) and in the section "Corporate Governance" on the *RTLGroup.com* website for the external and market risks.

Corporate governance statement

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

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

Shareholders

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

Excluding 0.76 per cent held collectively as treasury stock by RTL Group and one of its subsidiaries, as at December 2012, Bertelsmann held 92.3 per cent of RTL Group shares. The remaining 7.7 per cent were publicly traded.

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

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

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

On 18 April 2012, the by-laws of the Company were amended during an Extraordinary Meeting of Shareholders in order to endorse the provisions of the law adopted by the Luxembourg Parliament on 24 May 2011 – which implements Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders of listed companies, the so-called "Shareholders' Rights Directive".

Board and management

Board of Directors

On 31 December 2012 the Board of RTL Group had ten members: three executive directors, and seven non-executive directors. The executive and non-executive directors elected at the General Meeting of Shareholders on 18 April 2012 were appointed for three years. The biographical details of the directors are set out on pages 96 to 100. Three of the non-executive directors – Jacques Santer, James Singh and Martin Taylor – are independent of management and other outside interests that might interfere with their independent judgement.

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

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

The responsibility for day-to-day management of the Company is delegated to the Chief Executive Officers ("CEOs"). The Board has a number of responsibilities, which include approving the annual Group's budget, overseeing significant acquisitions and disposals, and managing the Group's financial statements. The Board of Directors met five times in 2012 – with an average attendance rate of 100 per cent – and adopted some decisions by circular resolution. An evaluation process of the Board of Directors' activities – and the activities of its committees – was carried out in 2011, and in the future will continue to be performed on a regular basis.

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

In 2012, a total of €0.53 million (2011: €0.53 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors and the Committees that emanate from it (see note 10.4. to the consolidated financial statements).

Neither options nor loans have been granted to Directors.

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

The following Board Committees are established:

Nomination and Compensation Committee

The Nomination and Compensation Committee comprises three non-executive directors, one of whom is an independent director (who also chairs the meetings), and meets at least twice a year. The Nomination and Compensation Committee met five times in 2012, with an average attendance rate of 100 per cent.

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

Audit Committee

The Audit Committee is made up of 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 CEOs, the Chief Financial Officer ("CFO"), the Head of Internal Audit, the external auditors and other senior Group finance representatives. The Audit Committee met three times in 2012, with an average attendance rate of 100 per cent.

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

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

CEOs

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

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

Executive Committee

On 18 April 2012, the Board of Directors (re)set up the Executive Committee which consists of the three executive directors, i.e. the two CEOs and the CFO. The Executive Vice President Regional Operations & Business Development CEE and Asia is invited to attend the meetings on a permanent basis. The Executive Committee is vested with internal management authority. Biographical details of the members of the Executive Committee can be found on page 101.

External auditor

In accordance with the Luxembourg law on commercial companies, the Company's annual and consolidated accounts are certified by an external auditor, appointed at the Annual General Meeting of Shareholders. On 18 April 2012, the shareholders appointed Pricewaterhouse Coopers S.à r.l. (PwC) for a year. PwC's mandate will expire at the Annual General Meeting on 17 April 2013.

Dealing in shares

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

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

Restrictions apply to:

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

Internal controls over financial reporting

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

Tone at the top

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

Standards and rules

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

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

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

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

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

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

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

RTL Group has robust risk management processes in place, designed to ensure that risks are identified, monitored and controlled. Our risk management system is based on a specific policy and a clear set of procedures. Policies and procedures are reviewed on a regular basis by the Internal Audit Department and/or external consulting companies. Risk management reporting is coordinated by the Treasury Department, then reviewed by the Internal Audit Department.

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

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

Internal controls cannot provide an absolute guarantee that risks of misstatement, losses or human error have been totally eliminated.

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

Risk reporting framework

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

This framework is based on a number of key principles:

- Comprehensive scope of risk assessment: risks are assessed within a framework of defined key risk categories. Regular risk assessments include a description of the risk, an indication of the potential financial impact, and steps taken to mitigate the risk. These steps are performed throughout RTL Group, consolidated by the Treasury Department, reviewed by the Internal Audit Department, and ultimately described in a dedicated Risk Management Report. Results are presented to the Audit Committee.
- Regular reporting: RTL Group's system of internal controls ensures that risks are addressed, reported and mitigated when they arise. All significant risks are comprehensively assessed within the risk reporting framework, and reported to RTL Group management on a bi-annual basis. This ensures the necessary actions are undertaken to manage, mitigate or offset risks within the Group.
- Bottom-up approach: we assess risks where they arise – in our operations. All business units have to assess themselves according to the three parts of the Risk Management Report:
  - Part A: Risk assessment and quantification of residual risks if applicable
  - Part B: Health-check (self-assessment on internal controls on processes in place)
  - Part C: Self-assessment questionnaire on risk management

The three parts are reviewed by both the Treasury and the Internal Audit departments, as mentioned above.

- Consistent reporting: our operations report on their risk assessment using a common GRC (Governance, Risk and Compliance) reporting tool to ensure consistency in scope and approach.
- Consolidated Group matrix: we gain a comprehensive view of significant risks for the Group by consolidating local risk assessments. A Risk Management Committee – chaired by the CFO and comprising senior Group management – prepares and reviews this consolidated Group risk matrix. The committee also:
  - Advises on the control and reporting process for any major risks, and recommends mitigation strategies to the Group CFO
  - Monitors follow-up of risks and ensures mitigation measures have been taken
  - Increases risk awareness within the Group
  - Identifies potential optimisation opportunities in processes
- Audit approach: both the process of local risk assessments and the consolidated Group risk matrices are regularly reviewed by the internal audit function.

Going forward

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

To ensure our risk management process and reporting requirements are consistently implemented throughout the Group, we hold regular workshops to update staff and to introduce new tools available to assess risk.

Profit appropriation (RTL Group SA)[17]

The statutory accounts of RTL Group SA show a net profit for the financial year 2012 of €1,854,247,717 (2011: €170,055,129). Taking into account the share premium of €4,691,802,190 and the result for the year of €1,854,247,717, the amount available for distribution is €4,922,600,240, net of an interim dividend of €1,623,449,667 (€10.50 per share, of which €5.40 extraordinary dividend) as decided by the Board of Directors of RTL Group SA on 24 February 2013 and which will be paid on 7 March 2013.

Luxembourg Law on Takeover Bids

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

a) Share capital structure

RTL Group SA has issued one class of shares which is admitted to trading on Euronext Brussels and the Luxembourg Stock Exchange. No other securities have been issued. The issued share capital as at 31 December 2012 amounts to €191,900,551 represented by 154,787,554 shares with no par value, each fully paid-up.

b) Transfer restrictions

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

c) Major shareholding

The shareholding structure of RTL Group SA as at 31 December 2012, excluding 0.76 per cent which is held collectively as treasury stock by RTL Group SA and one of its subsidiaries, is as follows: Bertelsmann Capital Holding GmbH, 92.3 per cent, and the remaining 7.7 per cent is publicly traded.

d) Special control rights

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

e) Control system in employee share scheme

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

f) Voting rights

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

g) Shareholders' agreement with transfer restrictions

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

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

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

i) Powers of the Board of Directors

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

j) Significant agreements or essential business contracts

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

k) Agreements with Directors and employees

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

17 Amounts in € except where stated

Subsequent events

On 1 February 2013, FremantleMedia announced that it is reviewing its FremantleMedia Enterprises (FME) arm with a plan to create one new, standalone, global division focused on distribution and kids and family entertainment. All remaining digital, licensing, sponsorship and other ancillary activities previously undertaken by FME will be housed within FremantleMedia's regional production operations. In addition, a new Digital & Branded Entertainment division will be created to focus on the company's global digital and branded entertainment activities. The proposed company structure will significantly strengthen FremantleMedia's core business activities while also better positioning the company to capitalise on growth opportunities for the future.

The Board of Directors meeting on 24 February 2013 decided on the following:

- The distribution of an interim dividend amounting to €1.6 billion funded by the Group's net cash position and by debt in the form of shareholder loans from Bertelsmann provided at arm's length terms and at current market conditions. The dividends will be paid on 7 March 2013;

- A change in the Group's dividend policy, resulting in a pay-out ratio of between 50 and 75 per cent of the adjusted consolidated net profit attributable to RTL Group shareholders within the limit of the Company's distributable reserves.

Outlook

Advertising market conditions in January and February 2013 continued to be challenging, with negative growth in some of RTL Group's core markets. If this continues, it is uncertain whether the profit will be at the same level as in 2012. Facing this environment, RTL Group has a clear focus on maintaining its leadership positions and delivering financially while pursuing opportunities in broadcast, content and digital, which will develop the business further in future years.

24 February 2013
The Board of Directors

Management Responsibility Statement

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

Luxembourg, 24 February 2013

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

Elmar Heggen
Chief Financial Officer

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2012

	Notes	2012 €m	2011 €m
Continuing operations			
Revenue	5. 7. 1.	**5,998**	5,765
Other operating income		**45**	40
Consumption of current programme rights		**(2,015)**	(1,791)
Depreciation, amortisation and impairment		**(187)**	(178)
Other operating expenses	7. 2.	**(2,790)**	(2,746)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures		**(10)**	(13)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	7. 3.	**(9)**	107
Profit from operating activities		**1,032**	1,184
Share of results of associates	8. 4.	**(53)**	38
Earnings before interest and taxes ("EBIT")		**979**	1,222
Interest income	7. 4.	**11**	23
Interest expense	7. 4.	**(21)**	(25)
Financial results other than interest	7. 5.	**(1)**	(27)
Profit before taxes		**968**	1,193
Income tax expense	7. 6.	**(277)**	(302)
Profit for the year from continuing operations		**691**	891
Discontinued operations			
Loss for the year from discontinued operations	4.	**(1)**	(96)
Profit for the year		**690**	795
Attributable to:			
RTL Group shareholders		**597**	696
Non-controlling interests		**93**	99
Profit for the year		**690**	795
EBITA* (continuing operations)		**1,078**	1,134
Impairment of investments in associates	8. 4.	**(82)**	(6)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures		**(10)**	(13)
Re-measurement of earn-out arrangements		**2**	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	7. 3.	**(9)**	107
Earnings before interest and taxes ("EBIT")		**979**	1,222
Earnings per share from continuing operations (in €)			
– Basic		**3.89**	5.01
– Diluted		**3.89**	5.01
Earnings per share from discontinued operations (in €)			
– Basic		**(0.01)**	(0.48)
– Diluted		**(0.01)**	(0.48)
Earnings per share (in €)			
– Basic	7. 7.	**3.88**	4.53
– Diluted	7. 7.	**3.88**	4.53

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2012

	Notes	2012 €m	2011 €m
Profit for the year		**690**	795
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial losses on post employment benefit obligations	8. 13.	**(33)**	(1)
Income tax	8. 6.	**6**	–
		(27)	(1)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**8**	(3)
Share of other comprehensive income of associates		**–**	1
Effective portion of changes in fair value of cash flow hedges	8. 14. 4.	**(20)**	54
Income tax	8. 6.	**6**	(15)
		(14)	39
Change in fair value of cash flow hedges transferred to profit or loss	8. 14. 4.	**(26)**	(9)
Income tax	8. 6.	**8**	3
		(18)	(6)
Fair value gains/(losses) on available-for-sale financial assets		**14**	(1)
Income tax	8. 6.	**(1)**	(12)
		13	(13)
		(11)	18
Other comprehensive income/(loss) for the year, net of income tax		**(38)**	17
Total comprehensive income for the year		**652**	812
Attributable to:			
RTL Group shareholders		**568**	706
Non-controlling interests		**84**	106
Total comprehensive income for the year		**652**	812

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

	Notes	2012 €m	2011* €m
Non-current assets			
Programme and other rights	8. 1.	**124**	119
Goodwill	8. 1. 8. 2.	**2,679**	2,662
Other intangible assets	8. 1.	**202**	201
Property, plant and equipment	8. 3.	**346**	358
Investments in associates	8. 4.	**251**	356
Loans and other financial assets	8. 5. 8. 8.	**239**	312
Deferred tax assets	8. 6.	**377**	361
		4,218	4,369
Current assets			
Programme rights	8. 7.	**906**	927
Other inventories		**30**	34
Income tax receivable		**86**	57
Accounts receivable and other financial assets	8. 8.	**2,005**	2,068
Cash and cash equivalents	8. 9.	**650**	701
		3,677	3,787
Assets classified as held for sale	4. 8. 4.	**3**	31
Current liabilities			
Loans and bank overdrafts	8. 10.	**16**	42
Income tax payable		**79**	100
Accounts payable	8. 11.	**2,156**	2,154
Provisions	8. 12.	**221**	240
		2,472	2,536
Liabilities directly associated with non-current assets classified as held for sale	4.	**–**	57
Net current assets		**1,208**	1,225
Non-current liabilities			
Loans	8. 10.	**13**	11
Accounts payable	8. 11.	**319**	319
Provisions	8. 12.	**174**	114
Deferred tax liabilities	8. 6.	**62**	57
		568	501
Net assets		**4,858**	5,093
Equity attributable to RTL Group shareholders		**4,366**	4,596
Equity attributable to non-controlling interests		**492**	497
Equity	8. 14.	**4,858**	5,093

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

** Re-presented (see note 1.2.1.)*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital €m	Share premium €m	Treasury shares €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Retained earnings €m	Equity attributable to RTL Group share-holders €m	Equity attributable to non-controlling interests €m	**Total equity €m**
Balance at 1 January 2011		**192**	**6,454**	**(44)**	**(148)**	**19**	**96**	**(1,556)**	**5,013**	**584**	**5,597**
Total comprehensive income:											
Profit for the year		–	–	–	–	–	–	696	696	99	**795**
Foreign currency translation differences	8. 14. 3.	–	–	–	(2)	–	–	–	(2)	–	**(2)**
Effective portion of changes in fair value of cash flow hedges, net of tax	8. 14. 4.	–	–	–	–	39	–	–	39	–	**39**
Change in fair value of cash flow hedges transferred to profit and loss, net of tax		–	–	–	–	(6)	–	–	(6)	–	**(6)**
Fair value gains/(losses) on available-for-sale financial assets, net of tax	8. 14. 5.	–	–	–	–	–	(20)	–	(20)	7	**(13)**
Defined benefit plan actuarial losses, net of tax		–	–	–	–	–	–	(1)	(1)	–	**(1)**
		–	–	–	(2)	33	(20)	695	706	106	**812**
Capital transactions with owners:											
Dividends	8. 14. 6.	–	–	–	–	–	–	(769)	(769)	(128)	**(897)**
Equity-settled transactions net of tax	8. 14. 7.	–	–	–	–	–	–	3	3	4	**7**
Transactions on non-controlling interests without a change in control	8. 14. 8.	–	–	–	–	–	–	(354)	(354)	(38)	**(392)**
Transactions on non-controlling interests with a change in control	8. 14. 8.	–	–	–	–	–	–	–	–	(30)	**(30)**
Derivatives on equity instruments	8. 14. 9.	–	–	–	–	–	–	(1)	(1)	(1)	**(2)**
Transactions on treasury shares of associates		–	–	–	–	–	–	(2)	(2)	–	**(2)**
		–	–	–	–	–	–	(1,123)	(1,123)	(193)	**(1,316)**
Balance at 31 December 2011		**192**	**6,454**	**(44)**	**(150)**	**52**	**76**	**(1,984)**	**4,596**	**497**	**5,093**
Total comprehensive income:											
Profit for the year		–	–	–	–	–	–	597	597	93	**690**
Foreign currency translation differences	8. 14. 3.	–	–	–	8	–	–	–	8	–	**8**
Effective portion of changes in fair value of cash flow hedges, net of tax	8. 14. 4.	–	–	–	–	(13)	–	–	(13)	(1)	**(14)**
Change in fair value of cash flow hedges transferred to profit and loss, net of tax		–	–	–	–	(18)	–	–	(18)	–	**(18)**
Fair value gains/(losses) on available-for-sale financial assets, net of tax	8. 14. 5.	–	–	–	–	–	20	–	20	(7)	**13**
Defined benefit plan actuarial losses, net of tax		–	–	–	–	–	–	(26)	(26)	(1)	**(27)**
		–	–	–	8	(31)	20	571	568	84	**652**
Capital transactions with owners:											
Dividends	8. 14. 6.	–	–	–	–	–	–	(783)	(783)	(95)	**(878)**
Equity-settled transactions net of tax	8. 14. 7.	–	–	–	–	–	–	2	2	3	**5**
Transactions on non-controlling interests without a change in control	8. 14. 8.	–	–	–	–	–	–	(16)	(16)	(1)	**(17)**
Transactions on non-controlling interests with a change in control	8. 14. 8.	–	–	–	–	–	–	–	–	1	**1**
Derivatives on equity instruments	8. 14. 9.	–	–	–	–	–	–	2	2	3	**5**
Transactions on treasury shares of associates		–	–	–	–	–	–	(3)	(3)	–	**(3)**
		–	–	–	–	–	–	(798)	(798)	(89)	**(887)**
Balance at 31 December 2012		**192**	**6,454**	**(44)**	**(142)**	**21**	**96**	**(2,211)**	**4,366**	**492**	**4,858**

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

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2012

	Notes	2012 €m	2011 €m
Cash flows from operating activities (including discontinued operations)			
Profit before taxes from continuing operations		**968**	1,193
Loss before taxes from discontinued operations		**(1)**	(99)
		967	1,094
Adjustments for:			
– Depreciation and amortisation		**185**	175
– Value adjustments, impairment and provisions		**200**	232
– Equity-settled share-based payments expenses		**5**	7
– Gain on disposal of assets		**(33)**	(116)
– Financial results including net interest expense and share of results of associates		**83**	19
Use of provisions	8. 12.	**(113)**	(79)
Working capital changes		**(44)**	(1)
Income taxes paid		**(325)**	(287)
Net cash from operating activities		**925**	1,044
– thereof from discontinued operations Five Group	4.	**–**	*3*
– thereof used in discontinued operations Alpha	4.	***(3)***	*(20)*
Cash flows from investing activities (including discontinued operations)			
Acquisitions of:			
– Programme and other rights		**(103)**	(79)
– Subsidiaries and joint ventures net of cash acquired	6. 4.	**(8)**	(134)
– Other intangible and tangible assets		**(90)**	(120)
– Other investments and financial assets		**(48)**	(38)
Current deposit with shareholder	8. 8. 10. 1.	**(25)**	(50)
		(274)	(421)
Proceeds from the sale of intangible and tangible assets		**27**	22
Disposal of:			
– Discontinued operations, net of cash disposed of	4.	**(2)**	(1)
– Other subsidiaries and joint ventures, net of cash disposed of	6. 6.	**-**	(5)
Proceeds from the sale of associates, other investments and financial assets	8. 5.	**33**	29
Current deposit with shareholder	8. 8. 10. 1.	**187**	256
Interest received		**13**	18
		258	319
Net cash used in investing activities		**(16)**	(102)
– thereof used in discontinued operations Five Group	4.	**-**	*(1)*
– thereof used in discontinued operations Alpha	4.	***(2)***	*(2)*
Cash flows from financing activities (including discontinued operations)			
Interest paid		**(19)**	(15)
Transactions on non-controlling interests	8. 14. 8.	**(13)**	(111)
Proceeds from loans		**7**	54
Repayment of loans		**(60)**	(102)
Dividends paid		**(880)**	(902)
Net cash used in financing activities		**(965)**	(1,076)
– thereof used in discontinued operations Alpha	4.	***(20)***	*(44)*
Net decrease in cash and cash equivalents		**(56)**	(134)
Cash and cash equivalents and bank overdrafts at beginning of year	8. 9.	**700**	838
Effect of exchange rate fluctuation on cash held		**1**	–
Effect of cash in disposal group held for sale	4.	**–**	(4)
Cash and cash equivalents and bank overdrafts at end of year	8. 9.	**645**	700

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

RTL Group SA (the "Company") is a company domiciled in Luxembourg. The consolidated financial statements of the Company for the year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as "RTL Group" or "the Group") and the Group's interest in associates and jointly controlled entities. RTL Group SA is the parent company of a multinational television, radio and production Group holding, directly or indirectly, investments in 525 companies. The Group mainly operates television channels and radio stations in Europe and produces television content such as game shows and soaps. The list of the principal Group undertakings at 31 December 2012 is set out in note 13.

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

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

The consolidated financial statements of the Group were authorised for issue by the Board of Directors on 24 February 2013.

1. 1.
Statement of compliance

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

1. 2.
Basis of preparation

1. 2. 1.
Consolidated financial statements

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

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

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

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

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

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

In addition, following the completion of the purchase price allocation during the first half year 2012 for the Hungarian language cable channels, comparative information in the consolidated statement of financial position at 31 December 2011 has been re-presented for intangible assets and deferred tax liabilities (see note 6.2.).

1\. 2. 2.

Changes in accounting policy and disclosures

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

1. New and amended standards and interpretations adopted by the Group

The Group has early adopted the following amended IFRS as of 1 January 2012, which has affected the presentation of the consolidated financial statements:

- IAS 1, "Financial Statement presentation" regarding other comprehensive income (amendments published in June 2011) – effective from 1 July 2012;

The following amendments to standards, new interpretations and amendments to interpretations are mandatory for the first time for the financial year beginning 1 January 2012, but are not currently relevant or have no or very limited impact for the Group:

- IFRS 7 (amendments), "Amendments to IFRS 7 Financial instruments: disclosures" – effective for annual period beginning on or after 1 July 2011;
- IFRS 1 (amendments), "Severe hyperinflation and removal of fixed dates for first-time adopters" – effective from 1 July 2011;

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

The following new standard has been published but is not effective for the Group's accounting year beginning on 1 January 2012:

- IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015 (1).

The following new standards and amendments to standards have been published but are not effective for the Group's accounting year beginning on 1 January 2012 and are expected to have no or very limited impact for the Group:

- IAS 19, "Employee benefits" (amendments published in June 2011) – effective from 1 January 2013;
- IFRS 10, "Consolidated financial statements" – effective from 1 January 2014;
- IFRS 11, "Joint arrangements" – effective from 1 January 2014;
- IFRS 12, "Disclosures of interests in other entities" – effective from 1 January 2014;
- IFRS 13, "Fair value measurement" – effective from 1 January 2013;
- IAS 27, "Separate financial statements" (revised 2011) – effective from 1 January 2014;
- IAS 28, "Associates and joint ventures" (revised 2011) – effective from 1 January 2014;
- IAS 12 (amendment), "Deferred tax: recovery of underlying assets" – effective from 1 January 2013;
- IFRS 7 (amendments), "Financial instruments: disclosures" on offsetting financial assets and financial liabilities – effective from 1 January 2013;
- IAS 32 (amendments), "Financial instruments: presentation" on offsetting financial assets and financial liabilities – effective from 1 January 2014;
- IFRIC 20, "Stripping costs in the production phase of a surface mine" – effective from 1 January 2013;
- Improvements to IFRSs 2009–2011 – effective from 1 January 2013 (1).

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

1\. 3.

Principles of consolidation

1\. 3. 1.

Subsidiaries

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

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

Accounting for business combinations

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

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

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

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

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

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

Any contingent consideration payable is recognised at fair value at the acquisition date.

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

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

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

Accounting for transactions with non-controlling interests

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

Loss of control

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

1. 3. 2.

Joint ventures

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

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

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

1. 3. 3.

Associates

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

The Group has decided not to reverse any impairment loss recognised and allocated to goodwill on associates prior to 1 January 2009. This cumulated impairment loss amounts to €291 million.

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

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

1. 3. 4.

Transactions eliminated on consolidation

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

1. 4.
Foreign currency translation

1. 4. 1.
Foreign currency translations and balances

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

1. 4. 2.
Financial statements of foreign operations

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

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

1. 5.
Derivative financial instruments and hedging activities

Fair value

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

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

Cash flow hedging

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

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

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

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

1. 6.
Current / non-current distinction

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

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

1. 7. Intangible assets

1. 7. 1. Non-current programme and other rights

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

Non-current programme and other rights include (co-)productions, audiovisual and other rights acquired with the primary intention to broadcast, distribute or trade them as part of the Group's long-term operations. Non-current programme and other rights are amortised based on expected revenue. The amortisation charge is based on the ratio of net revenue for the period over total estimated net revenue. The (co-)production shares and flat fees of distributors are amortised over the applicable product lifecycle based upon the ratio of the current period's revenue to the estimated remaining total revenue (ultimate revenue) for each (co-)production.

Estimates of total net revenue are reviewed periodically and additional impairment losses are recognised if appropriate.

1. 7. 2. Goodwill

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

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

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

1. 7. 3. Other intangible assets

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

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

Other intangible assets with a definite useful life also include capitalised costs associated with the acquisition of sports club players. These costs are amortised on a straight-line basis over the period of the respective contracts. The term of these contracts may vary but it generally ranges from one to five years.

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

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

1. 8. Property, plant and equipment

1. 8. 1. Owned assets

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

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

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

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

1. 8. 2. Leases

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

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

1. 8. 3.

Subsequent expenditure

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

1. 9.

Loans and other financial assets

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

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

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

Financial instruments are designated at fair value through profit or loss if they contain one or more embedded derivatives which cannot be measured separately, or when they are managed and their performance is evaluated on a fair value basis. They are initially recognised at fair value, and transaction costs are expensed in the income statement. Changes in fair value are recognised in the income statement.

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

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

1. 10.

Current programme rights

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

Current programme rights include programmes in progress, (co-)productions and rights acquired with the primary intention to broadcast or sell them in the normal course of the Group's operating cycle. Current programme rights include an appropriate portion of overheads and are stated at the lower of cost and net realisable value. The net realisable value assessment is based on the advertising revenue expected to be generated when broadcast and on estimated net sales. Weak audience shares or changes from a prime time to a late-night slot constitute indicators that a valuation allowance may be recorded. They are consumed based on either the expected number of transmissions or expected revenue in order to match the costs of consumption with the benefits received. The rates of consumption applied for broadcasting rights are as follows:

- Free television thematic channels: programme rights are consumed on a straight line basis over a maximum of six runs;

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

1. 11.
Accounts receivable
Trade accounts receivable arise from the sale of goods and services related to the Group's operating activities. Other accounts receivable include, in addition to deposits and amounts related to Profit and Loss Pooling ("PLP") and Compensation agreements with RTL Group's controlling shareholder, VAT recoverable, and prepaid expenses. Trade and other accounts receivable are measured at amortised cost. Impairment losses on trade and other accounts receivable are recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within depreciation, amortisation and impairment. When a trade receivable is uncollectible, it is written off against the allowance account for trade accounts receivable. Subsequent recoveries of amounts previously written off are credited against depreciation, amortisation and impairment in the income statement.

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

1. 12.
Cash and cash equivalents
Cash consists of cash in hand and at bank.

Cash equivalents are assets that are readily convertible into cash, such as short-term highly liquid investments, commercial paper, bank deposits and marketable securities – all of which mature within three months from the date of purchase – and money market funds that qualify as cash and cash equivalents under IAS 7 (see note 3.1.2.).

Bank overdrafts are included within current liabilities.

1. 13.
Impairment of non-financial assets
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

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

1. 14.
Impairment of financial assets
The Group assesses at each reporting date whether there is objective evidence that a financial asset, or a group of financial assets, is impaired.

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

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

If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement ("Financial results other than interest"). Impairment testing of trade accounts receivable is described in note 1.11.

1. 15.
Non-current assets held for sale
Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

1. 16.
Accounts payable
Trade accounts payable arise from the purchase of assets, goods and services relating to the Group's

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

1. 17. Loans payable

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

1. 18. Provisions

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

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

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

1. 19. Employee benefits

1. 19. 1. Pension benefits

The Group operates or participates in both defined contribution and defined benefit plans, according to the national laws and regulations of the countries in which it operates. The assets of the plans are generally held in separate trustee-administered funds, and some of the plans are operated through pension funds that are legally independent from the Group. The pension plans are generally funded by payments from employees and by the relevant Group companies, taking into account the recommendations of independent qualified actuaries.

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

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

1. 19. 2. Other benefits

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

1. 19. 3. Share-based transactions

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

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

1. 20. Share capital

1. 20. 1. Equity transaction costs

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

1. 20. 2.

Treasury shares

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

1. 20. 3.

Dividends

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

1. 21.

Revenue presentation and recognition

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

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

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

1. 22.

Government grants

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

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

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

1. 23.

Interest income/expense

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

1. 24.

Income tax

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

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

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

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

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

1. 25.

Discontinued operations

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

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

1. 26.
Earnings per share

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

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

1. 27.
Segment reporting

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

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

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

The invested capital is disclosed for each reportable segment as reported to the Executive Committee.

The segment assets include the following items:

- The non-current assets, except the incremental fair value of the available-for-sale investments, the surplus of the defined benefit plans and the deferred tax assets;
- The current assets, except the income tax receivable, the fair value of derivative assets, the current deposit with the shareholder, the account receivable from the shareholder in relation to the PLP and Compensation agreements, the accounts receivable related to dividend income, the fixed term deposits, and cash and cash equivalents.

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

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

2. 1.
Programme and other rights (assets and provisions for onerous contracts)

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

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

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

2. 2.
Estimated impairment of goodwill and investments in associates

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

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

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

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

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

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

2. 3.
Fair value of contingent consideration
Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination, and subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flow and takes into account the probability of meeting each performance target.

2. 4.
Fair value of available-for-sale investments and financial assets / liabilities at fair value through profit or loss
The Group has used discounted cash flow analysis for various available-for-sale investments and financial assets/liabilities at fair value through profit or loss that were not traded in active markets.

The carrying amount of available-for-sale investments would be an estimated €4 million lower or higher were the discount rates used in the discounted cash flows analysis to differ by 10 per cent from management's estimates.

2. 5.
Provisions for litigations
Most claims involve complex issues, and the probability of loss and an estimation of damages are difficult to ascertain. A provision is recognised when the risk of a loss becomes more likely than not and when it is possible to make a reasonable estimate of the expected financial effect.

2. 6.
Income and deferred taxes
The Group is subject to income taxes in numerous jurisdictions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised. Management judgement is required to assess probable future taxable profits. In 2012, deferred tax assets on losses carry-forwards (mainly in Germany, €33 million; 2011: €39 million) and on temporary differences (mainly in Germany, €313 million; 2011: €297 million) have been reassessed on the basis of currently implemented tax strategies.

2. 7.
Post-employment benefits
The Group has adopted the following approaches for the pension assumptions:

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

2. 8.
Disposal groups
The determination of the fair value less costs to sale requires management judgement as it relates to estimates of proceeds of the disposal, residual obligations and direct disposal costs.

2. 9.
Contingent liabilities
Contingent liabilities are disclosed unless management consider that the likelihood of an outflow of economic benefits is remote.

3. FINANCIAL RISK MANAGEMENT

3. 1.
Financial risk factors

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

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

The Group seeks to minimise the potential adverse effects of changing financial markets on its performance through the use of derivative financial instruments such as foreign exchange forward contracts. Derivatives are not used for speculative purposes. Risks are hedged to the extent that they influence the Group's cash flows (i.e. translational risk linked to the conversion of net investments in foreign operations is not hedged).

3. 1. 1.
Market risk

Foreign exchange risk

Foreign exchange exposure

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

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

In addition, market practices in the television business imply a significant forward exposure to USD as programme rights are usually denominated in USD and not paid up-front. For this reason, the main off-balance sheet exposure of the Group is towards the USD in respect of future purchases and sales of programme rights, output deals (commitments for future cash flows) and highly probable forecast transactions (USD 6 million as at 31 December 2012, USD 166 million as at 31 December 2011).

Management of the foreign exchange exposure

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

The Group Treasury policy is to hedge up to 100 per cent of the recognised monetary foreign currency exposures arising from cash, accounts receivable, accounts payable, loans receivable and borrowings denominated in currencies other than the functional currency. The Group policy is to hedge between 80 per cent and 100 per cent of short-term cash flow forecasts and between 20 per cent and 80 per cent of longer term (between two and five years) cash flow forecasts. Approximately 72 per cent (2011: 72 per cent) of anticipated cash flows constitute firm commitments or highly probable forecast transactions for hedge accounting purposes.

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

Accounting

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

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

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

When hedge accounting is applied, the effective portion of the changes in the fair value of the hedging instrument is recognised net of deferred tax in the hedging reserve as presented in the "Consolidated statement of changes in equity" (see note 8.14.4.). It is released to the carrying value of the hedged item when such an item is recognised in the statement of financial position. The ineffective portion of the change in fair value of the hedging instrument (including swap points) is recognised directly in profit or loss. For the year ended 31 December 2012, the amount of ineffectiveness (see note 7.5.) that has been recognised in the income statement is €(8) million (€(5) million in 2011).

Foreign exchange derivative contracts

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

	2012 €m	2011 €m
Net fair value of foreign exchange derivative assets (see notes 8.8. and 8.11.)	**23**	80
Operating foreign exchange gains/(losses)	**(1)**	9
Cash flow hedges ineffectiveness losses (see note 7.5.)	**(8)**	(5)

	2012 €m	2011 €m
Less than 3 months	**(1)**	9
Less than 1 year	**7**	21
Less than 5 years	**17**	50
Net fair value of derivative assets (see notes 8.8. and 8.11.)	**23**	80

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

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

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

The split by maturities of notional amounts of forward exchange contracts at 31 December 2011 is, for the main foreign currencies, as follows:

	2012 £m	2013 £m	2014 £m	2015 £m	>2015 £m	**Total £m**
Buy	172	21	18	–	2	213
Sell	(264)	(17)	(8)	(2)	–	(291)
Total	**(92)**	**4**	**10**	**(2)**	**2**	**(78)**

	2012 \$m	2013 \$m	2014 \$m	2015 \$m	>2015 \$m	**Total \$m**
Buy	830	286	199	127	106	1,548
Sell	(201)	(20)	(13)	–	(5)	(239)
Total	**629**	**266**	**186**	**127**	**101**	**1,309**

Sensitivity analysis to foreign exchange rates
Management estimates that:

- If the USD had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact for the Group (2011: no material impact), and in an additional pre-tax €75 million income (respectively expense) (2011: €81 million) recognised in equity;
- If the GBP had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact for the Group (2011: no material impact), and in an additional pre-tax €0.2 million expense (respectively income) (2011: €2 million) recognised in equity;
- If other currencies had been 10 per cent stronger compared to € (respectively weaker), with all other variables held constant, this would have had no material impact on profit or loss and equity (2011: no material impact).

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

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

In order to achieve this objective, cross border cash pooling has been set up for most of the entities of the Group. The interest rate strategy defined by RTL Group depends on the net cash position of each company. Although the Group has currently no significant borrowing or overdraft, management has defined a targeted fixed versus floating rate ratio (i.e. 20 per cent fixed/80 per cent floating) when the Group needs to borrow. This percentage can be reviewed at the discretion of the Treasury Committee until the optimum mix between fixed and floating rates has been achieved. The Group considers if the predominance of floating rate debt is appropriate in view of the overall state of the economy, short-term interest rates and the Group's results.

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

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

If the interest rates achieved had been lower (respectively higher) by 100 basis points, and assuming the current amount of floating net cash available remains constant, the interest income at 31 December 2012 would have been decreased (respectively increased) by €11 million (€12 million in 2011).

The following table indicates the effective interest rate of interest-earning financial assets and interest-bearing financial liabilities at 31 December and the periods in which they re-price:

	Notes	Effective interest rate %	Total amount (1) €m	6 months or less €m	6–12 months €m	1–2 years €m	2–5 years €m	Over 5 years €m
Other loans – fixed rate	8. 5.	3.3	6	–	1	3	2	–
Other loans – floating rate	8. 5.	1.5	26	23	3	–	–	–
Current deposit with shareholder – floating rate	8. 8.	0.3	426	426	–	–	–	–
Cash and cash equivalents – earning assets	8. 9.	0.9	631	631	–	–	–	–
Bank loans – floating rate	8. 10.	8.5	(3)	(2)	(1)	–	–	–
Bank overdrafts	8. 10.	2.0	(5)	(5)	–	–	–	–
Leasing liabilities – fixed rate	8. 10.	4.9	(7)	(1)	(2)	(2)	(2)	–
Loans payable – floating rate	8. 10.	1.9	(12)	(9)	(3)	–	–	–
At 31 December 2012			**1,062**	**1,063**	**(2)**	**1**	**–**	**–**
Other loans – floating rate	8. 5.	0.7	7	3	4	–	–	–
Current deposit with shareholder – floating rate	8. 8.	1.4	588	588	–	–	–	–
Cash and cash equivalents – earning assets	8. 9.	1.1	658	658	–	–	–	–
Bank loans – floating rate	8. 10.	4.7	(8)	(8)	–	–	–	–
Bank overdrafts	8. 10.	2.0	(1)	(1)	–	–	–	–
Leasing liabilities – fixed rate	8. 10.	3.6	(3)	–	(1)	(1)	(1)	–
Loans payable – floating rate	8. 10.	1.3	(35)	(34)	(1)	–	–	–
At 31 December 2011			**1,206**	**1,206**	**2**	**(1)**	**(1)**	**–**

(1) Excluding accrued interests

3. 1. 2.
Credit risk

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

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

The Group's television and radio operations incur exposure to credit risk when making transactions with advertising agencies or direct customers. In 2012, the combined television and radio advertising revenue contributed 57 per cent of the Group's revenue (2011: 60 per cent). Due to its business model, RTL Group's exposure to credit risk is directly linked to the final client. However the risks are considered as weak due to the size of the individual companies or agency groups.

RTL Group produces programmes that are sold or licensed to state-owned and commercial television channels. In 2012, these activities contributed 30 per cent of the Group's revenue (2011: 26 per cent). Given the limited number of television broadcasters in different countries, there is a high degree of concentration of credit risk. However, given the longstanding relationships between content providers and broadcasters, and the fact that the customers are large businesses with solid financial positions, the level of credit risk is significantly mitigated.

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

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

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

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

	Gross carrying amount (1, 2) €m	Neither impaired nor past due on the reporting date €m	Not impaired as of the reporting date and past due by <= 1 month €m	2–3 months €m	3–6 months €m	6–12 months €m	Over 1 year €m	Gross amount impaired €m
Loans and other non-current financial assets	58	31	–	–	–	–	–	27
Trade accounts receivable	1,164	821	181	60	22	11	9	60
Accounts receivable from associates	22	22	–	–	–	–	–	–
Current deposit with shareholder	426	426	–	–	–	–	–	–
Other accounts receivable and current financial assets	289	274	5	3	–	–	–	7
Cash and cash equivalents	650	650	–	–	–	–	–	–
At 31 December 2012	**2,609**	**2,224**	**186**	**63**	**22**	**11**	**9**	**94**

Ageing of financial assets (excluding available-for-sale and fair value through profit or loss investments for respectively €106 million and €132 million) at 31 December 2011:

	Gross carrying amount (1, 2) €m	Neither impaired nor past due on the reporting date €m	Not impaired as of the reporting date and past due by <= 1 month €m	2–3 months €m	3–6 months €m	6–12 months €m	Over 1 year €m	Gross amount impaired €m
Loans and other non-current financial assets	10	6	–	–	–	–	–	4
Trade accounts receivable	1,062	751	118	71	17	19	27	59
Accounts receivable from associates	22	22	–	–	–	–	–	–
Current deposit with shareholder	589	589	–	–	–	–	–	–
Other accounts receivable and current financial assets	410	401	2	2	–	–	–	5
Cash and cash equivalents	701	701	–	–	–	–	–	–
At 31 December 2011	**2,794**	**2,470**	**120**	**73**	**17**	**19**	**27**	**68**

(1) At 31 December 2012, cumulated valuation allowances amount to €94 million, of which €5 million on collective basis. The latter are not taken into account in the table above
(2) At 31 December 2011, cumulated valuation allowances amount to €64 million, of which €6 million on collective basis. The latter are not taken into account in the table above

The top ten trade accounts receivable represent €135 million (2011: €99 million) while the top 50 trade accounts receivable represent €325 million (2011: €266 million).

The top ten counterparties for cash and cash equivalents represent €364 million (2011: €411 million).

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

3. 1. 3.
Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, management aim to maintain flexibility in funding by keeping committed credit lines available despite the total net cash situation. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts on the Group's liquidity requirements to ensure it has sufficient headroom to meet operational needs. Management monitors, on a monthly basis, the level of the "Liquidity Head Room" (total committed facilities minus current utilisation through bank loans and guarantees).

2012	€m	Under 1 year €m	1–5 years €m	Over 5 years €m
Credit facilities – banks				
Committed facilities	**288**	268	20	–
Headroom	**119**	100	19	–
2011				
Credit facilities – banks				
Committed facilities	**285**	215	70	–
Headroom	**120**	60	60	–

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

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

	Under 1 year €m	1–5 years €m	Over 5 years €m	**Total €m**
Non-derivative financial liabilities				
Loans and bank overdrafts	16	8	6	**30**
Accounts payable (1)	1,690	87	25	**1,802**
At 31 December 2012	**1,706**	**95**	**31**	**1,832**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	702	198	–	**900**
– Inflow	(689)	(192)	–	**(881)**
At 31 December 2012	**13**	**6**	**–**	**19**

	Under 1 year €m	1–5 years €m	Over 5 years €m	**Total €m**
Non-derivative financial liabilities				
Loans and bank overdrafts	43	11	1	**55**
Accounts payable (1)	1,665	132	26	**1,823**
At 31 December 2011	**1,708**	**143**	**27**	**1,878**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	444	53	–	**497**
– Inflow	(430)	(51)	–	**(481)**
At 31 December 2011	**14**	**2**	**–**	**16**

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

3. 2.
Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to provide returns for shareholders.

3. 3. Accounting classifications and fair value hierarchy

3. 3. 1. Financial instruments by category

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

	Notes	Assets at fair value through profit or loss (1) €m	Derivatives used for hedging €m	Loans and accounts receivable €m	Available-for-sale investments €m	**Total €m**
Assets						
Loans and other financial assets (surplus of the defined benefit plans excluded)	8. 5.	57	–	29	116	**202**
Accounts receivable and other financial assets (2)	8. 8.	79	42	1,794	–	**1,915**
Cash and cash equivalents	8. 9.	–	–	650	–	**650**
At 31 December 2012		**136**	**42**	**2,473**	**116**	**2,767**

(1) Includes National Media Group
(2) Accounts receivable exclude prepaid expense and other taxes receivable

	Notes	Liabilities at fair value through profit or loss €m	Derivatives used for hedging €m	Other financial liabilities (1) €m	**Total €m**
Liabilities					
Loans and bank overdrafts	8. 10.	–	–	29	**29**
Accounts payable (2)	8. 11.	–	19	1,773	**1,792**
At 31 December 2012		**–**	**19**	**1,802**	**1,821**

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

	Notes	Assets at fair value through profit or loss (1) €m	Derivatives used for hedging €m	Loans and accounts receivable €m	Available-for-sale investments €m	**Total €m**
Assets						
Loans and other financial assets (surplus of the defined benefit plans excluded)	8. 5.	132	–	6	106	**244**
Accounts receivable and other financial assets (2)	8. 8.	–	96	1,927	–	**2,023**
Cash and cash equivalents	8. 9.	–	–	701	–	**701**
At 31 December 2011		**132**	**96**	**2,634**	**106**	**2,968**

(1) As part of an agreement signed on 10 June 2011 with the current shareholders of National Media Group ("NMG"), RTL Group swapped its 30 per cent shareholding in the Russian TV channel Ren TV for a 7.5 per cent shareholding in NMG. NMG holds interests in three major Russian TV channels (First Channel, Ren TV and TRK Petersburg), the daily newspaper Isvestija, and the radio station Russian News Service. Put and call option agreements have been concluded with rights exercisable in 2013. The non-cash transaction resulted in:
– the disposal of Ren TV, which was classified in 2010 in financial assets at fair value through profit or loss without recognition of any capital gain; and
– the recognition of the investment in NMG in accordance with IAS 39 for an amount of € 76 million at 31 December 2011.
NMG has been designated at fair value through profit or loss as its performance is managed on a fair value basis.
This financial asset is presented in level 3 according to the IFRS7 guidance
(2) Accounts receivable exclude prepaid expense and other taxes receivable

	Notes	Liabilities at fair value through profit or loss €m	Derivatives used for hedging €m	Other financial liabilities (1) €m	**Total €m**
Liabilities					
Loans and bank overdrafts	8. 10.	–	–	53	**53**
Accounts payable (2)	8. 11.	–	16	1,795	**1,811**
At 31 December 2011		**–**	**16**	**1,848**	**1,864**

(1) At amortised cost
(2) Accounts payable exclude employee benefit liabilities, deferred income, social security and other taxes payable and advance payments

3. 3. 2.

Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured at fair value at 31 December by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities);
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or the liability that are not based on observable market data (unobservable inputs).

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Financial assets at fair value through profit or loss	**136**	–	57	79
Available-for-sale investments	**116**	16	43	57
Derivatives used for hedging	**42**	–	42	–
At 31 December 2012	**294**	**16**	**142**	**136**
Liabilities				
Derivatives used for hedging	**19**	–	19	–
At 31 December 2012	**19**	**–**	**19**	**–**
Assets				
Financial assets at fair value through profit or loss	**132**	–	56	76
Available-for-sale investments	**106**	6	50	50
Derivatives used for hedging	**96**	–	96	–
At 31 December 2011	**334**	**6**	**202**	**126**
Liabilities				
Derivatives used for hedging	**16**	–	16	–
At 31 December 2011	**16**	**–**	**16**	**–**

The fair value of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. The quoted market price used for financial assets by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available, and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market date, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

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

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

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

The following table presents the change in level 3 instruments for the year ended 31 December 2011:

	Financial assets at fair value through profit or loss €m	Available-for-sale investments €m	**Total €m**
Balance at 1 January	72	69	**141**
Purchase	72	2	**74**
Disposal	(72)	–	**(72)**
Transfer into level 2 (1)	–	(11)	**(11)**
Gains and losses recognised in other comprehensive income	–	(9)	**(9)**
Gains and losses recognised in profit or loss (“Financial result other than interest”, see note 7.5.) (2)	4	(1)	**3**
Balance at 31 December	76	50	**126**
Total gains / (losses) for the period included in profit or loss for assets held at the end of the reporting period	**4**	**(1)**	**3**

(1) Summit available-for-sale investment, presented in level 3 in 2010, has been transferred to level 2 following the acquisition on 13 January 2012 of Summit by Lions Gate Entertainment

(2) A loss of € 1 million, related to an available-for-sale investment, was recognised in discontinued operations (see note 4.)

4. DISCONTINUED OPERATIONS

Alpha

Following the decision of the Board of Directors of RTL Group SA in December 2011 to fully dispose of the shares held in Alpha Media Group Ltd, RTL Group concluded an agreement with the non-controlling shareholder of Alpha. The transaction was subject to approval by the Greek Competition Commission at 31 December 2011. The transaction was completed on 20 February 2012, once the competition clearance was obtained on 9 February 2012.

The terms of the share purchase agreement stipulated that, prior to the disposal, RTL Group will recapitalise and fund Alpha, enabling it to fully reimburse the loans and facilities to third parties and to cover working capital requirements for December 2011 and January 2012. In this respect, RTL Group unilaterally contributed €53 million and €16 million in December 2011 and in January 2012, respectively, through capital increases in an Alpha group company. Alpha continues to benefit from a loan of €22.5 million owed to RTL Group after its exit with a nil fair value at 31 December 2012.

The loss from discontinued operations related to Alpha of €1 million (2011: €98 million) is attributable to the owners of the Group for € nil million (2011: €76 million).

The results of Alpha are presented below.

	2012 €m	2011 €m
Revenue	**4**	49
Other operating income	**1**	5
Consumption of current programme rights	**(1)**	(16)
Depreciation, amortisation and impairment	**–**	(6)
Other operating expenses	**(7)**	(55)
Impairment of disposal group and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**–**	(72)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**2**	–
Loss from operating activities	**(1)**	(95)
Earnings before interest and taxes (“EBIT”)	**(1)**	(95)
Net interest expense	**–**	(4)
Financial results other than interest	**–**	1
Loss before taxes	**(1)**	(98)
Loss for the year from discontinued operations	**(1)**	(98)
EBITA (discontinued operations)	**(3)**	(23)
Impairment of subsidiaries and joint ventures and of disposal group	**–**	(64)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**–**	(8)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**2**	–
Earnings before interest and taxes (“EBIT”)	**(1)**	(95)

Other comprehensive income of Alpha disposal group relating to actuarial gains on defined benefit plans amounts to € nil million at 31 December 2012 (2011: €0.4 million).

Cash outflow on disposal of discontinued operations is as follows:

	2012 €m
Assets classified as held for sale (1)	**(29)**
Liabilities directly associated with non-current assets classified as held for sale (1)	**35**
Non-controlling interests	**(1)**
Accumulated other comprehensive income recognised in the income statement	**–**
Net assets disposed of	**5**
Direct cost associated with the disposal of Alpha	**(3)**
Less:	
Payments on previous year on disposal of Alpha	**1**
Cash outflow on disposal of discontinued operations	**(2)**

(1) At disposal date

Non-current assets classified as held for sale, disposal group:

	2011 €m
Non-current assets	
– Other intangible assets	**8**
– Property, plant and equipment	**11**
Current assets	
– Programme rights	**20**
– Income tax receivable	**4**
– Accounts receivable and other financial assets	**55**
– Cash and cash equivalents	**4**
Impairment of disposal group (1)	**(71)**
	31

(1) Including impairment of non-current assets for € (19) million, of which impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures for € (7) million

Liabilities directly associated with non-current assets classified as held for sale:

	2011 €m
Current liabilities	
Loans and bank overdrafts	**20**
Income tax payable	**1**
Accounts payable	**23**
Non-current liabilities	
Accounts payable	**8**
Provisions	**5**
	57

Five Group

On 23 July 2010, RTL Group disposed of Five Group to Northern & Shell, a company owned by British publisher Richard Desmond.

The terms of the agreement included a net cash payment of €118 million. The total cash consideration payable to RTL Group for its 100 per cent shareholding in Five Group amounted to €124 million before adjustment related to a cash pooling mechanism (minus €6 million). The regulatory risk was taken by the purchaser (see note 9.1.).

The results of Five Group are presented below.

	2011 €m
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(1)
Loss from operating activities	**(1)**
Earnings before interest and taxes ("EBIT")	**(1)**
Loss before taxes	**(1)**
Income tax income	3
Profit / (loss) for the year from discontinued operations	**2**
EBITA (discontinued operations)	**–**
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(1)
Earnings before interest and taxes ("EBIT")	**(1)**

The loss from discontinued operations of €1 million (2011: €96 million) and related to Alpha and Five is attributable to the owners of the Group for € nil million (2011: €74 million). Of the profit from continuing operations of €691 million (2011: €891 million), €597 million is attributable to the owners of the Group (2011: €770 million).

5. SEGMENT REPORTING

The determination of the Group's operating segments is based on the operational and management-related entities for which information is reported to the Executive Committee.

The Group has 15 business units, each one led by a CEO. They manage operations in television, radio and diversification businesses in ten countries, in which the Group owns interests in 53 TV channels and 28 radio stations, of which eight TV channels and two radio stations held by Grupo Antena 3 associate; FremantleMedia and UFA Sports operate an international network in the content business.

All the reported segments meet the quantitative thresholds required by IFRS 8:

- Mediengruppe RTL Deutschland: this segment encompasses all of the Group's German television activities. These include the leading commercial channel RTL Television, free-to-air channels Vox, Super RTL, RTL Nitro and N-TV, thematic pay channels RTL Crime, RTL Living and Passion, and an equity participation in free-to-air channel RTL II. This segment also includes an array of diversification activities such as new media and content;
- Groupe M6: primarily composed of the commercial television channel M6. This segment also includes two other free-to-air television channels, W9 and the newly launched 6ter, and a number of smaller thematic pay channels. This segment also includes significant other activities such as home shopping, direct-to-consumer marketing, rights distribution and a football club;
- FremantleMedia: principally a worldwide production business but other activities include a significant distribution and licensing business. Its main business units are based in the United States, the United Kingdom, Germany and Australia. FremantleMedia segment includes Radical Media, a leading TV commercials production company in the United States with offices in Australia, China and Germany;
- RTL Nederland: this segment covers both television and radio activities. The Group's television channels cover RTL 4, RTL 5, RTL 7, RTL 8, RTL Lounge, RTL Crime and RTL Telekids, and are the leading family of channels in the Netherlands;
- RTL Belgium: this segment includes both television and radio activities primarily focused in the French-speaking (southern) part of Belgium. The television activities are the leading family of channels and include RTL-TVI, Plug RTL and Club RTL, while the radio activities are made up of the number one and number two stations, Bel RTL and Radio Contact;
- French radio: this is the leading radio family in France and mainly includes the stations RTL Radio, RTL 2 and Fun Radio.

The revenue of "Other segments" mainly relates to RTL Klub (Hungary, €101 million) and RTL Hrvatska (Croatia, €31 million). Group headquarters provides services, initiates development projects and is also reported in "Other segments".

RTL Group's Executive Committee assesses the performance of the operating segments based on EBITA. Interest income, interest expense, financial results other than interest and income tax are not allocated to segments, as these are centrally driven. Inter-segment pricing is determined on an arm's length basis.

The Executive Committee also reviews, on a regular basis, the amount of the invested capital of each profit centre. Only the assets and liabilities directly managed by the profit centres are considered. Reportable segment assets and liabilities are reconciled to total assets and liabilities, respectively.

All management financial information reported to RTL Group's Executive Committee is fully compliant and consistent with the Group's accounting policies and primary statements.

5. 1. Segment information

	Mediengruppe RTL Deutschland 2012 €m	2011 €m	Groupe M6 2012 €m	2011 €m
Revenue from external customers	**1,979**	1,909	**1,378**	1,414
Inter-segment revenue	**3**	3	**9**	7
Total revenue	**1,982**	1,912	**1,387**	1,421
Profit/(loss) from operating activities	**561**	508	**217**	238
Share of results of associates	**21**	21	**–**	–
EBIT	**582**	529	**217**	238
EBITA (continuing operations)	**581**	529	**224**	249
Impairment of investments in associates	**–**	–	**–**	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**(1)**	–	**(7)**	(11)
Re-measurement of earn-out arrangements	**2**	–	**–**	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**–**	–	**–**	–
EBIT	**582**	529	**217**	238
Interest income				
Interest expense				
Financial results other than interest				
Income tax expense				
Profit for the year from continuing operations				
Segment assets (assets classified as held for sale and associates excluded)	**1,476**	1,458	**1,476**	1,486
Investments in associates	**60**	60	**–**	–
Assets classified as held for sale and assets related to discontinued operations	**–**	–	**–**	–
Segment assets	**1,536**	1,518	**1,476**	1,486
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	**849**	776	**618**	656
Liabilities directly associated with non-current assets classified as held for sale and liabilities related to discontinued operations	**–**	–	**–**	–
Segment liabilities	**849**	776	**618**	656
Invested capital	**687**	742	**858**	830
Segment assets				
Deferred tax assets				
Income tax receivable				
Other assets				
Cash and cash equivalents				
Total assets				
Segment liabilities				
Deferred tax liabilities				
Income tax payable				
Other liabilities				
Total liabilities				
Capital expenditure (1) (2)	**16**	26	**117**	93
Depreciation and amortisation (3)	**(19)**	(20)	**(107)**	(87)
Impairment losses excluding goodwill	**–**	–	**–**	(7)
Impairment of goodwill of subsidiaries and joint ventures and of disposal group	**–**	–	**–**	–

** Re-presented (see Note 6.2., Hungarian language cable channels and M-RTL)*
(1) Capital expenditure includes additions in "Programme and other rights", "Other intangible assets" and "Property, plant and equipment", new goodwill following acquisitions of subsidiaries and joint ventures and incremental fair value on identifiable assets following purchase accounting
(2) Including capital expenditure related to discontinued operations for € nil million (2011: € 1 million)
(3) Including depreciation and amortisation related to discontinued operations for € nil million (2011: € 4 million)

5. 2. Geographical information

Geographical areas are based on where customers (revenue) and the Group's non-current assets are located. Goodwill has been allocated to a geographical area based on whether the Group's risks and returns are affected predominantly by the products and services it produces.

	Germany 2012 €m	2011 €m	France 2012 €m	2011 €m
Revenue from external customers	**2,110**	2,012	**1,551**	1,611
Non-current assets	**1,019**	1,012	**939**	933
Assets classified as held for sale	**3**	–	**–**	–
Capital expenditure	**42**	57	**120**	99

FremantleMedia		RTL Nederland		RTL Belgium		French radio		Other segments		Eliminations		Total Group	
2012 €m	2011 €m	**2012 €m**	2011 €m	**2012 €m**	2011 €m	**2012 €m**	2011 €m	**2012 €m**	2011 €m	**2012 €m**	2011 €m	**2012 €m**	2011* €m
1,554	1,263	**431**	491	**209**	215	**178**	182	**269**	291	**–**	–	**5,998**	5,765
157	166	**–**	–	**1**	1	**2**	2	**35**	39	**(207)**	(218)	**–**	–
1,711	1,429	**431**	491	**210**	216	**180**	184	**304**	330	**(207)**	(218)	**5,998**	5,765
137	143	**97**	240	**45**	46	**30**	30	**(55)**	(21)	**–**	–	**1,032**	1,184
(10)	(7)	**–**	–	**–**	–	**–**	–	**(64)**	24	**–**	–	**(53)**	38
127	136	**97**	240	**45**	46	**30**	30	**(119)**	3	**–**	–	**979**	1,222
138	143	**97**	134	**45**	46	**30**	30	**(37)**	3	**–**	–	**1,078**	1,134
(10)	(7)	**–**	–	**–**	–	**–**	–	**(72)**	1	**–**	–	**(82)**	(6)
–	–	**–**	(1)	**–**	–	**–**	–	**(2)**	(1)	**–**	–	**(10)**	(13)
–	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**2**	–
(1)	–	**–**	107	**–**	–	**–**	–	**(8)**	–	**–**	–	**(9)**	107
127	136	**97**	240	**45**	46	**30**	30	**(119)**	3	**–**	–	**979**	1,222
												11	23
												(21)	(25)
												(1)	(27)
												(277)	(302)
												691	891
1,763	1,680	**361**	342	**172**	172	**179**	179	**558**	548	**(123)**	(141)	**5,862**	5,724
–	9	**–**	–	**–**	–	**–**	–	**191**	287	**–**	–	**251**	356
–	–	**–**	–	**–**	–	**–**	–	**–**	23	**–**	–	**–**	23
1,763	1,689	**361**	342	**172**	172	**179**	179	**749**	858	**(123)**	(141)	**6,113**	6,103
550	488	**120**	123	**104**	117	**73**	76	**287**	283	**(123)**	(142)	**2,478**	2,377
–	–	**–**	–	**–**	–	**–**	–	**–**	33	**–**	–	**–**	33
550	488	**120**	123	**104**	117	**73**	76	**287**	316	**(123)**	(142)	**2,478**	2,410
1,213	1,201	**241**	219	**68**	55	**106**	103	**462**	542	**–**	1	**3,635**	3,693
												6,113	6,103
												377	361
												86	57
												672	965
												650	701
												7,898	8,187
												2,478	2,410
												62	57
												79	100
												421	527
												3,040	3,094
30	53	**13**	51	**4**	6	**2**	5	**20**	107	**–**	–	**202**	341
(22)	(22)	**(7)**	(10)	**(5)**	(5)	**(4)**	(4)	**(22)**	(27)	**–**	–	**(186)**	(175)
(2)	(4)	**(1)**	–	**–**	–	**–**	–	**–**	(3)	**–**	–	**(3)**	(14)
–	–	**–**	–	**–**	–	**–**	–	**–**	(72)	**–**	–	**–**	(72)

USA		Netherlands		Belgium		UK		Other regions		Total	
2012 €m	2011 €m	**2012 €m**	2011 €m	**2012 €m**	2011 €m	**2012 €m**	2011 €m	**2012 €m**	2011 €m	**2012 €m**	2011 €m
640	496	**448**	502	**238**	235	**219**	206	**792**	703	**5,998**	5,765
441	442	**287**	285	**50**	51	**411**	417	**204**	200	**3,351**	3,340
–	–	**–**	–	**–**	–	**–**	–	**–**	31	**3**	31
3	14	**14**	51	**4**	6	**4**	5	**15**	109	**202**	341

The revenue generated in Luxembourg amounts to €55 million (2011: €54 million). The total of non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets located in Luxembourg amounts to €27 million (2011: €26 million).

6. ACQUISITIONS AND DISPOSALS

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

Details of main acquisitions in the year ended 31 December 2012 are set out in note 6.2. Acquisitions have been consolidated using the purchase method of accounting with goodwill being recognised as an asset. All acquisitions have been included in the consolidated financial statements from the date that control was transferred to the Group.

In aggregate, the acquired businesses contributed revenue of €2 million and profit attributable to RTL Group shareholders of € nil million for the post acquisition period to 31 December 2012. Had the business combinations been at the beginning of the year, the revenue and the profit attributable to RTL Group shareholders would not have changed.

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

2012

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

Other acquisitions and disposals, increases in interest held in subsidiaries

- On 2 January 2012, RTL Group acquired 100 per cent of *Gutscheine.de* HSS GmbH which operates online couponing sites in Germany. The acquisition strengthens RTL Group's position in the German online market. The transaction qualified as a business combination since RTL Group gained the control of *Gutscheine.de*. The purchase accounting did not lead to recognition of additional identifiable assets and liabilities. The purchase consideration, net of cash acquired, amounted to €3 million resulting in the recognition of a goodwill of €2.9 million. An amount of €2.5 million was already cashed-out in 2011. At 31 December 2012, the contingent consideration based on a variable performance component includes an earn-out mechanism assessed for an amount of €0.5 million;
- On 2 August 2012, the Group acquired 25 per cent of Apareo Holding GmbH which comes in addition to the 50 per cent previously held. The business was launched in 2012 and is based on the development of system solutions for sport organisations, clubs and associations in order to monetise the attractiveness of their brand from an online virtual market place. The transaction qualified as a business combination since RTL Group gained the control of Apareo. The purchase consideration, net of cash acquired, amounted to €2.3 million resulting in the recognition of a goodwill of €2 million. In addition to a capital increase of €0.3 million, an amount of €1.1 million was already cashed-out in 2011. At 31 December 2012, the contingent consideration based on a variable performance component includes an earn-out mechanism fully recognised for an amount of €0.6 million;
- On 11 October 2012, RTL Group acquired 100 per cent of Videostrip BV, the largest online video advertising network in the Netherlands. The transaction fits the Group's strategy to invest in digital advertising and content-delivery technologies. The transaction qualified as a business combination since RTL Group gained the control of Videostrip. The purchase accounting led to no recognition of additional fair values directly attributable to the net assets acquired. The purchase consideration, net of cash acquired, amounted to €3.5 million resulting in the recognition of a goodwill of €3.4 million. The earn-out mechanism for an amount of €3 million has not been recognised;
- On 31 October 2012, RTL Group acquired Tom's Games internet sites (*JeuxvideoPC.com* and *Jeuxvideo-flash.com*). The transaction contributes to extend the creative capabilities of the Group. The transaction qualified as a business combination since RTL Group gained the control of Tom's Games. The purchase consideration, net of cash acquired, amounted to €3.1 million resulting in the recognition of a provisional goodwill of €3.1 million. At 31 December 2012, the contingent consideration based on a variable performance component includes the first earn-out mechanism fully recognised for an amount of €0.5 million.

2011

Hungarian language cable channels and M-RTL

On 28 July 2011, RTL Group signed with IKO and certain other entities an agreement for acquiring its stake of 31 per cent in M-RTL and the full control of a portfolio of seven Hungarian language cable channels. The transactions were completed on 20 December 2011 once the approval of the Hungarian Competition Office was received.

The final purchase price was contingent on working capital adjustments. In addition, the acquisition agreement provided for certain warranties and indemnities in favour of RTL Group.

On 31 August 2011, RTL Group paid €6 million for 100 per cent of KOS Beteiligungs- und Verwaltungsgesellschaft mbH ("KOS") holding a 2 per cent economic ownership and 20 per cent voting rights in M-RTL.

The acquisitions of KOS and of the 31 per cent stake in M-RTL from IKO was accounted for as equity transactions (see note 8.14.8.). The related consideration amounted to €64 million. In this context, RTL Group also reimbursed a loan payable for an amount of €6 million. The excess of consideration recognised in the equity attributable to RTL Group shareholders amounted to €(42) million.

The transactions related to the seven cable channels qualified as a business combination. At 31 December 2011, the related purchase consideration, net of cash acquired, amounted to €91 million, resulting in the recognition of a provisional goodwill of €87 million.

The acquisitions provided the opportunity for RTL Group to build a family of channels in the very fragmented Hungarian market and to develop synergies for reducing the cost base.

The acquisition-related costs of €0.6 million, mainly consisting of legal fees and due diligence costs, were recognised in "Other operating expenses".

As the gain of control of the cable channels occurred at the end of the year, the revenue and profit included for the acquired operations in the consolidated income statement of RTL Group for the period 2011 was not significant.

Had the business combination occurred on 1 January 2011, the contribution to the consolidated revenue and to the Group's consolidated result would have been €17 million and €2 million, respectively.

In 2012, the purchase consideration was reduced by €1 million (to €89 million), following working capital adjustments agreed between the seller and RTL Group in May 2012. The purchase accounting, determined on a provisional basis in 2011 and completed during the first half of 2012 resulted in a goodwill of €78 million.

The following identifiable assets and liabilities have been recognised:

- The brand names "Cool", "F+", "Film2", "Muzsika", "Prizma", "Reflektor" and "Sorozat+" for an amount of €2 million;
- The customer relationships for an amount of €7 million;
- A related deferred tax liability for an amount of €1 million.

Goodwill will not be tax deductible in connection with this transaction.

Hungarian language cable channels and M-RTL 2011	Carrying amount at date of gain of control €m	Incremental value €m	Fair value at date of gain of control €m
Cash and cash equivalents	**(1)**	–	**(1)**
Other intangible assets	**3**	9	**12**
Current programme rights	**4**	–	**4**
Accounts receivable and other financial assets	**4**	–	**4**
Accounts payable	**(7)**	–	**(7)**
Deferred tax liabilities	**–**	(1)	**(1)**
Net assets acquired	**3**	8	**11**
Goodwill			**78**
Total purchase consideration			**89**

Purchase price adjustment	**1**
Cash and cash equivalents in operations acquired	**1**
Cash outflow on acquisition	**91**

Dutch radios and RTL Nederland

On 28 July 2011, RTL Group exercised its put option towards Talpa Media Nederland to get back Talpa Media's 26.3 per cent non-controlling shareholding in RTL Nederland (mainly Dutch TV operations) in exchange for its interests held in the Dutch radios Radio 538, Radio 10 Gold and Slam!FM. The exchange of the respective shareholdings was initially set to take place in 2012.

RTL Group and Talpa Media agreed on 1 September 2011 to accelerate the transfer of shares before 31 December 2011. On 29 December 2011, RTL Group and Talpa Media agreed on the final completion of the asset swap and the related payments.

The acquisition of the remaining non-controlling interest in RTL Nederland was accounted for as an equity transaction (see note 8.14.8.). The fair value of the 26.3 per cent of RTL Nederland amounted to €290 million. The valuation was based on a discounted cash-flow approach and an analysis of comparable trading and transactions multiples. The equity transaction resulted in a decrease in equity of €273 million.

RTL Group recognised a capital gain on the disposal of the Dutch radios for an amount of €107 million derived from the measurement at fair value of 26.3 per cent of RTL Nederland included in the consideration received.

The terms of the agreement included the payment to Talpa of the put option cash settlement amount, net of representations and warranties received by Talpa (€(7) million), the reimbursement to Talpa Media of its contribution paid in 2007 (€(74) million), the reimbursement to RTL Group of the loan granted in 2007 (€74 million), and the payment to RTL Group of the purchase price following the acquisition of Radio 10 Gold and Slam!FM (€7 million). The disposal resulted therefore in an outflow, net of cash held by the Dutch radios disposed of, amounting to €(5) million.

In 2011, the Dutch radios contributed €61 million and €13 million to the revenue and the profit attributable to the owners of Group, respectively.

Dutch radios and RTL Nederland	**2011 €m**
Cash and cash equivalents	**(79)**
Goodwill	**(164)**
Other intangible assets	**(34)**
Property, plant and equipment	**(1)**
Net deferred tax assets	**(36)**
Accounts receivable and other financial assets	**(13)**
Accounts payable	**65**
Interest-bearing loans payable and borrowings	**55**
Non-controlling interests	**24**
Net assets disposed of	**(183)**
Total disposal proceeds	**297**
Less:	
Transactions with non-controlling interests	**(290)**
Cash settlement amount	**(7)**
Reimbursement to RTL Group of the loan granted	**74**
Cash and cash equivalents in operations disposed of	**(79)**
Cash outflow on disposals of continuing operations (see note 6.2.)	**(5)**

Other acquisitions and disposals, increases in interest held in subsidiaries

- On 1 April 2011, RTL Group acquired 100 per cent of the leading Dutch internet site Buienradar, which provides real-time weather information. The transaction qualified as a business combination since RTL Group gained the control of Buienradar BV. The purchase accounting led to no recognition of additional fair values directly attributable to the net assets acquired. The purchase consideration, net of cash acquired, amounted to €15 million resulting in the recognition of a goodwill of €11 million;
- On 19 April 2011, the Group acquired the remaining 50 per cent of the shares of the company TCM Droits Audiovisuels SNC ("TCM"), previously proportionate consolidated. The transaction qualified as a business combination since RTL Group gained the control of TCM. The re-measurement to fair value of the Group's existing 50 per cent (amounting to €0.4 million) was recognised in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree" (see note 7.3.). The purchase accounting led to the recognition of a fair value of €1.7 million on the rights acquired subsequently fully impaired;
- On 28 April 2011, the Group acquired 50 per cent in Panorabanque SAS ("Panorabanque") through a capital increase and 34 per cent in Quicksign SAS (see note 8.4.), a technological platform devoted to financial services and implemented by Panorabanque. Jointly controlled, Panorabanque is proportionate consolidated. The purchase accounting led to no recognition of additional fair values directly attributable to the net assets acquired. A goodwill of €0.7 million was recognised;
- On 5 May 2011, the Group acquired 100 per cent of Les Films de la Suane Sàrl ("Les Films de la Suane"), a company that owns a catalogue of seven feature films. The transaction qualified as a business combination since the Group gained the control of Les Films de la Suane. The purchase accounting led to the recognition of a fair value of €2 million on deferred tax assets related to losses carried forward and on the catalogue of rights acquired, net of related deferred tax liability;
- On 1 June 2011, RTL Group acquired 100 per cent of the Dutch radio station Slam!FM BV ("Slam!FM"). The transaction qualified as a business combination since RTL Group gained the control of Slam!FM. The purchase accounting led to no recognition of additional fair values directly attributable to the net assets acquired. The purchase consideration, net of cash acquired, amounted to €6 million resulting in the recognition of a goodwill of €4 million. It was agreed that in case RTL Group would exercise its put option on Talpa, the shares in Slam!FM will be transferred to Talpa on the same terms and conditions as at the date of acquisition (see note "Dutch radios and RTL Nederland");
- On 5 August 2011, the Group acquired 100 per cent of Netzathleten.net Media GmbH ("Netzathleten") and its 100 per cent controlled subsidiary Delta Advertising GmbH. Netzathleten is the leading operator of vertical content networks in the German-speaking market. The transaction qualified as a business combination since RTL Group gained the control of Netzathleten. The purchase accounting led to the recognition of a fair value of €3 million on the customer relationships and to a related deferred tax liability of €1 million. The transaction resulted in the recognition of a goodwill of €12 million. The purchase consideration, net of cash acquired, amounted in 2011 to €7 million. At 31 December 2011, the deferred consideration payable based on a variable performance-related component amounted to €6 million.
  In 2012, an agreement related to one part of the performance-related component was signed, and resulted in a lump sum payment of €3 million and in a re-measurement of €1 million. At 31 December 2012, the deferred consideration payable based on the remaining variable performance-related component amounts to €1 million;
- An additional fair value of the deferred consideration was recognised in 2011 due to the outperformance of Original Productions. The goodwill was accordingly increased for an amount of €12 million to €63 million.

6. 3.
Assets and liabilities acquired
Details of the net assets acquired and goodwill are as follows:

	2012 €m	2011 €m
Purchase consideration:		
– Cash paid	**8**	132
– Payments on prior years' acquisitions	**(3)**	(12)
– Contingent consideration	**2**	6
– Prior years' payments on acquisitions	**4**	–
– Purchase price adjustment	**1**	(1)
Total purchase consideration	**12**	125
Less:		
Fair value of net assets acquired	**(1)**	(20)
Fair value of equity interest held before business combinations	**–**	1
Goodwill (see note 6.2.)	**11**	106

6. 4. Cash outflow on acquisitions

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

	2012 Fair value €m	2011* Fair value €m
Cash and cash equivalents	–	(2)
Non-current programme and other rights	–	4
Other intangible assets	1	15
Current programme rights	–	4
Accounts receivable and other financial assets	1	7
Accounts payable	(1)	(12)
Other provision	–	(1)
Interest-bearing loans payable and borrowings	–	(1)
Non-controlling interests	–	6
Net assets acquired	**1**	20
Fair value of equity interest held before business combinations	–	(1)
Goodwill	11	106
Total purchase consideration	**12**	125
Less:		
Contingent consideration	(2)	(6)
Payments on prior years' acquisitions	3	12
Purchase price adjustment	(1)	1
Prior years' payments on acquisitions	(4)	–
Cash and cash equivalents in operations acquired	–	2
Cash outflow on acquisitions (see note 6.2.)	**8**	134

* Re-presented (see note 6.2.)

6. 5. Assets and liabilities disposed of

Details of net assets disposed of and gain on disposal are as follows:

	2011 €m
Fair value of consideration received	297
Payment associated	(7)
Net assets disposed of	(183)
Net gain on disposal of subsidiaries (see note 6.2.)	107

6. 6. Cash outflow on disposals of continuing operations

	2011 €m
Cash and cash equivalents	(79)
Goodwill	(164)
Other intangible assets	(34)
Property, plant and equipment	(1)
Net deferred tax assets	(36)
Accounts receivable and other financial assets	(13)
Accounts payable	65
Interest-bearing loans payable and borrowings	55
Non-controlling interests	24
Net assets disposed of	(183)
Total disposal proceeds	297
Less:	
Transaction with non-controlling interests	(290)
Cash settlement amount	(7)
Reimbursement to RTL Group of the loan granted	74
Cash and cash equivalents in operations disposed of	(79)
Cash outflow on disposals of continuing operations (see note 6.2.)	(5)

7. DETAILS ON CONSOLIDATED INCOME STATEMENT

7. 1. Revenue

	2012 €m	%	2011 €m	%
Spot advertising sales	**3,146**	**53**	3,207	56
Bartering advertising revenue	**53**	**1**	53	1
Other advertising sales	**198**	**3**	199	3
Advertising sales, net of agency commissions	**3,397**	**57**	3,459	60
Net films, programmes and other rights – sold or licensed	**1,774**	**30**	1,491	26
Sales of merchandise and consumer services	**555**	**9**	564	10
Professional services	**272**	**4**	251	4
	5,998	**100**	5,765	100

7. 2. Other operating expenses

	Notes	2012 €m	2011 €m
Employee benefits expenses	7. 2. 1.	**958**	914
External cost of live programmes		**289**	242
Intellectual property expenses		**335**	333
Expenses for subcontract production		**177**	177
Consumption of other inventories		**283**	270
External cost of transmitting		**126**	142
Other marketing, promotion and public relations costs		**121**	126
Rental costs		**93**	98
Operating taxes		**74**	79
Audit, consulting and legal fees (1)		**56**	56
Marketing and promotion costs – barter		**50**	50
Repairs and maintenance		**55**	46
Other distribution expenses		**36**	34
Commissions on sales		**15**	19
Administration and sundry expenses		**122**	160
		2,790	2,746

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

	2012 €m PwC	2011 €m PwC
Audit services pursuant to legislation	**2.4**	2.4
Other audit-related services	**1.0**	0.7
Other services relating to taxation	**0.1**	0.2
Other services	**0.3**	0.5
	3.8	3.8

The PwC fees related to the discontinued operations amounted to €nil million in 2012 (2011: €0.1 million).

7. 2. 1. Employee benefits expenses

	2012 €m	2011 €m
Wages and salaries	**712**	694
Termination benefits	**28**	16
Social security costs	**155**	149
Share options granted to employees	**5**	7
Pension costs	**16**	14
Other employee expenses	**42**	34
	958	914
Of which restructuring costs	**7**	–

The amounts set out above exclude personnel costs of €242 million (2011: €194 million), that are capitalised and that represent costs of employees directly allocated to the production of assets.

In addition to other short-term bonus schemes, RTL Group has implemented for its senior management a long-term incentive plan ("LTIP") which runs for the term 2011 to 2013. The LTIP aims to reward

RTL Group's senior management for entrepreneurial performance and to encourage their long-term commitment to the Group. The performance targets and beneficiaries of the LTIP have been approved by the Nomination and Compensation Committee of RTL Group. These performance targets are based upon the RTL Group's Value Added ("RVA"). The RVA corresponds to the EBITA net of tax after deduction of the cost of invested capital. As at 31 December 2012, the liability related to this LTIP has been assessed on the basis of the achievement of performance targets and amounts to €30 million (2011: €11 million). Groupe M6 operates a specific long-term incentive plan based on stock option and free shares plans.

Pension costs relate to defined contributions for €9 million (2011: €7 million) and defined benefit plans for €7 million (2011: €7 million) (see note 8.13.).

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

(1) Discontinued operations (see note 4.)

	2012	2011
Employees of fully consolidated undertakings	**9,502**	**9,538**
Employees of joint ventures	**88**	**83**
	9,590	**9,621**
Employees of Alpha (1)	**78**	**482**

"Employees of joint ventures" reflects the number of employees based on the Group's ownership in these joint ventures.

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

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

2012
- Loss on partial disposal in Grupo Antena 3 (see note 8.4.): €(8) million

2011
- Gain on disposal of Dutch radios (see note 6.2.): €107 million
- Gain on re-measurement of fair value of the Group's existing 50 per cent in TCM Droits Audiovisuels SNC (see note 6.2.): €0.4 million

7. 4. Net interest income/(expense)

	2012 €m	2011 €m
Interest income on loans and accounts receivable	**11**	23
Interest income	**11**	23
Interest expense on financial liabilities	**(9)**	(11)
Tax-related interest expense	**(2)**	(6)
Interest on defined benefit obligation (1)	**(5)**	(4)
Interest expense on other employee benefit liabilities	**(5)**	(4)
Interest expense	**(21)**	(25)
Net interest expense	**(10)**	(2)

(1) Of which (see note 8.13.):
– Expected return on plan assets: €4 million (2011: €4 million)
– Unwind of discount on defined benefit obligations: €(9) million (2011: €(8) million)

"Interest income on loans and accounts receivable" includes an amount of €3 million (2011: €8 million) in respect of deposits to Bertelsmann SE & Co. KGaA (see note 10.1.).

7. 5. Financial results other than interest

	2012 €m	2011 €m
Net gain/(loss) on disposal and impairment on available-for-sale investments	**1**	–
Cash flow hedges ineffectiveness (see note 3.)	**(8)**	(5)
Net gain on other financial instruments at fair value through profit or loss (1)	**6**	(20)
Other financial results	**–**	(2)
	(1)	(27)

(1) This amount includes the re-measurement of put options at fair value at year-end and change in fair value on other financial assets

7. 6. Income tax expense

	2012 €m	2011 €m
Current tax expense	**(271)**	(288)
Deferred tax expense	**(6)**	(14)
	(277)	(302)

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

	2012 €m	%	2011 €m	%
Profit before taxes (continuing operations)	**968**		1,193	
Income tax rate applicable in Luxembourg		**28.80**		28.80
Tax calculated at domestic tax rate applicable to profits in Luxembourg	**279**		343	
Effects of tax rate in foreign jurisdictions and German trade tax	**63**		56	
Tax calculated at domestic tax rate applicable to profits in the respective countries	**342**	**35.30**	399	33.40
Change in tax regulation and status	**–**		(10)	
Non deductible expenses	**40**		17	
Tax exempt revenue	**(40)**		(40)	
Commission received in relation to the Compensation Agreement (see note 10.1.)	**(69)**		(69)	
Tax incentives not recognised in the income statement	**(10)**		(11)	
Effect of tax losses for which no deferred tax assets are recognised	**14**		1	
Tax expense before adjustments on prior years	**277**	**28.60**	287	24.10
Current tax adjustments on prior years	**4**		23	
Deferred tax adjustments on prior years	**(4)**		(8)	
Income tax expense	**277**	**28.60**	302	25.30

In 2012, non deductible expenses mainly relate to impairment losses on goodwill of Grupo Antena 3 (see note 8.4.) (€22 million).

"Tax exempt revenue" mainly relates to capital gains and fair value changes for €25 million (2011: €27 million) and to the share of results of associates for €8 million (2011: €13 million).

In 2011, the effect of the change in income tax rates in Germany resulted in an increase in deferred tax amounting to €10 million.

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

In 2011, the tax adjustments on prior years mainly resulted from final tax assessments in Germany.

7. 7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €597 million (2011: €696 million) and a weighted average number of ordinary shares outstanding during the year of 153,618,853 (2011: 153,618,853), calculated as follows:

	Continuing operations	Discontinued operations	2012	Continuing operations	Discontinued operations	2011
Profit/(loss) attributable to RTL Group shareholders (in € million)	**598**	**(1)**	**597**	770	(74)	696
Weighted average number of ordinary shares:						
Issued ordinary shares at 1 January (note 8.14.1.)	**154,787,554**	**154,787,554**	**154,787,554**	154,787,554	154,787,554	154,787,554
Effect of treasury shares held (note 8.14.2.)	**(1,168,701)**	**(1,168,701)**	**(1,168,701)**	(1,168,701)	(1,168,701)	(1,168,701)
Weighted average number of ordinary shares	**153,618,853**	**153,618,853**	**153,618,853**	153,618,853	153,618,853	153,618,853
Basic earnings per share (in €)	**3.89**	**(0.01)**	**3.88**	5.01	(0.48)	4.53
Diluted earnings per share (in €)	**3.89**	**(0.01)**	**3.88**	5.01	(0.48)	4.53

8. DETAILS ON CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. 1. Programme and other rights, goodwill and other intangible assets

	(Co-) productions €m	Distribution and broadcasting rights €m	Advance payments and (co-) productions in progress €m	Total programme and other rights €m	Goodwill €m	Other intangible assets €m
Cost						
Balance at 1 January 2011	**598**	**1,002**	**36**	**1,636**	**5,137**	**448**
Effect of movements in foreign exchange	7	2	–	**9**	3	(3)
Additions	12	34	37	**83**	–	56
Disposals	–	(41)	–	**(41)**	–	(29)
Subsidiaries and joint ventures acquired (3)	1	3	–	**4**	106	15
Subsidiaries and joint ventures disposed of (1)	–	–	–	**–**	(164)	(68)
Transfer to assets classified as held for sale (4)	–	–	–	**–**	(114)	(16)
Transfers and other changes (2)	7	26	(42)	**(9)**	9	(1)
Balance at 31 December 2011*	**625**	**1,026**	**31**	**1,682**	**4,977**	**402**
Effect of movements in foreign exchange	(4)	(1)	–	**(5)**	6	3
Additions	9	30	62	**101**	–	25
Disposals	(1)	(63)	–	**(64)**	–	(29)
Subsidiaries and joint ventures acquired (3)	–	–	–	**–**	11	1
Transfers and other changes	13	33	(46)	**–**	–	3
Balance at 31 December 2012	**642**	**1,025**	**47**	**1,714**	**4,994**	**405**
Amortisation and impairment losses						
Balance at 1 January 2011	**(578)**	**(934)**	**–**	**(1,512)**	**(2,429)**	**(232)**
Effects of movements in foreign exchange	(7)	(2)	–	**(9)**	–	2
Amortisation charge for the year	(16)	(60)	–	**(76)**	–	(31)
Impairment losses recognised for the year	(3)	(2)	(4)	**(9)**	–	(6)
Reversal of impairment	–	2	–	**2**	–	–
Disposals	–	41	–	**41**	–	24
Subsidiaries and joint ventures disposed of (1)	–	–	–	**–**	–	34
Transfer to assets classified as held for sale (4)	–	–	–	**–**	114	8
Balance at 31 December 2011	**(604)**	**(955)**	**(4)**	**(1,563)**	**(2,315)**	**(201)**
Effects of movements in foreign exchange	4	1	–	**5**	–	(1)
Amortisation charge for the year	(19)	(74)	–	**(93)**	–	(26)
Impairment losses recognised for the year	(2)	(1)	–	**(3)**	–	(1)
Reversal of impairment	–	1	–	**1**	–	–
Disposals	1	63	–	**64**	–	29
Transfers and other changes	(1)	–	–	**(1)**	–	(3)
Balance at 31 December 2012	**(621)**	**(965)**	**(4)**	**(1,590)**	**(2,315)**	**(203)**
Carrying amount:						
At 31 December 2011	**21**	**71**	**27**	**119**	**2,662**	**201**
At 31 December 2012	**21**	**60**	**43**	**124**	**2,679**	**202**

** Re-presented (see note 6.2.)*

(1) See note 4. and 6.2.
(2) "Transfers and other changes" on goodwill primarily relate to Cyréalis, Original Productions and Radical Media
(3) See note 6.2. and 6.3.
(4) The assets recognised at fair value at the time of the gain of control of Alpha by RTL Group have been reclassified to disposal group at 31 December 2011 (see note 4.)

Other intangible assets include mainly Mistergood-deal, M6 and Hungarian language cable channel brands for an amount of €126 million (2011: €125 million), Groupe M6, Netzathleten.net, M-RTL and Hungarian language cable channels customer relationships for an amount of €16 million (2011: €14 million).

No impairment loss has been recognised in 2012 regarding intangible assets recognised at fair value at the time of the gain of control by RTL Group.

The M6 brand is considered to have an indefinite useful life and was recognised for an amount of € 120 million. At 31 December 2012, an impairment test was performed and did not lead to any impairment.

In determining that the M6 brand has an indefinite useful life, Group Management has considered various factors such as the past and expected longevity of the brand, the impact of possible changes in broadcasting technologies, the impact of possible evolutions of the regulatory environment in the French television industry, the current and expected audience share of the M6 channel and M6 management strategy to maintain and strengthen the trademark "M6". Based on the analysis of these factors, management has determined and confirmed at 31 December 2012 that there is no foreseeable limit to the period of time over which the brand M6 is expected to generate cash inflows for the Group.

8. 2. Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units on the basis of the business units (see note 5.) and at the level at which cash flows are generated.

All business units and cash-generating units mainly operate in one country, except FremantleMedia, Radical Media and UFA Sports which are worldwide operations.

	2012 €m	2011* €m
Mediengruppe RTL Deutschland	**884**	881
Groupe M6	**419**	416
FremantleMedia	**1,003**	1,000
Radical Media	**37**	39
RTL Nederland	**138**	135
RTL Belgium	**31**	31
French radio	**65**	65
Other segments		
– Hungarian language cable channels and M-RTL	**83**	78
– German radio	**17**	17
– UFA Sports	**2**	–
Total goodwill on cash-generating units	**2,679**	2,662

* Re-presented (see note 6.2.)

Goodwill is tested for impairment annually, as of 31 December or whenever changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of a cash-generating unit ("CGU") has been determined on the basis of the higher of its value in use and its fair value less costs to sell:

- The value in use is determined on the basis of cash flows excluding estimated future cash inflows or outflows expected to arise from future restructurings and from improving or enhancing the CGU's performance unless the cash-generating unit is committed at year end to the restructuring, and related provisions have been made. Furthermore, the discount rate is closely linked to Group parameters (mainly credit premium, gearing ratio and specific risk);

- Fair value less costs to sell is the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The hierarchy of sources for determining a "fair value less costs to sell" is:
  - A binding arm's length sales agreement;
  - An active trading market for the CGU; or
  - Best information available.

The Group supports its fair values less costs to sell on the basis of a discounted cash flow ("DCF") model to the extent that it would reflect the value that "any market participant" would be ready to pay in an arm's length transaction. Differently from the "value in use" approach, which reflects the perspective of the Group for a long-term use of the CGU, a "fair value less costs to sell" model would include future cash flows expected to arise from restructuring plans and future investments, as all rational market participants would be expected to undertake these restructurings and investments in order to extract the best value from the acquisition. Furthermore, the discount rate in a "fair value less costs to sell" model is calculated based on a market approach and most of the parameters used are derived from market sources. The latter approach applied was not used by the Group in determining the recoverable amount of cash-generating units at 31 December 2012.

Cash flow projections are based on financial budgets approved by management covering a three-year-period. Cash flows beyond the three-year-period for up to ten years are prepared using the estimated growth rates and other key drivers including audience and advertising market shares, the EBITA margin, and cash conversion rates based on past performance and expectations of market development. Cash flows beyond the ten-year period are extrapolated using the estimated perpetual growth rates and the discount rates stated below.

The perpetual growth rates used are consistent with the forecasts included in industry reports. The discount rates have been determined, CGU by CGU, in order to reflect, where appropriate, the following factors:
- Country risk;
- Specific firm premium;
- Credit spread due to the financial situation; and
- Gearing ratio of the CGU.

	2012		2011	
	Perpetual growth rate % a year	**Discount rate %**	Perpetual growth rate % a year	Discount rate %
Cash-generating units				
Mediengruppe RTL Deutschland	**2.0**	**7.6**	2.0	7.9
Groupe M6	**2.5**	**8.3**	2.5	8.6
FremantleMedia	**3.0**	**7.8**	3.0	7.8
Radical Media	**2.0**	**8.0**	2.0	7.9
RTL Nederland	**2.0**	**8.3**	2.5	8.6
RTL Belgium	**2.0**	**8.3**	2.5 and 2 (1)	8.6 and 6.5 (1)
French radio	**2.0**	**6.4**	2.0	6.5
Other segments				
– German radio	**2.0**	**6.5**	2.0	6.5
– Hungarian language cable channels and M-RTL	**2.0**	**12.6**	2.0	13.1
– UFA Sports	**2.0**	**7.8**	2.0	7.8

(1) For television and radio, respectively

Management consider that, at 31 December 2012, no reasonably possible change in the market shares, margin and cash conversion rates would reduce the headroom between the recoverable amounts and the carrying values of the cash-generating units, Hungarian language cable channels and M-RTL excepted.

For Hungarian language cable channels and M-RTL, if, for 2013 and each of the following years, the estimated revenue growth and the EBITA margin had been reduced by 1 per cent and the discount rate had been increased by 1 per cent, this would have resulted in an impairment loss against goodwill of €15 million.

No impairment loss on goodwill was recorded in 2012.

2011

No impairment loss on goodwill was recorded in 2011.

8. 3. Property, plant and equipment

	Land, buildings and improvements €m	Technical equipment €m	Other €m	**Total €m**
Cost				
Balance at 1 January 2011	**365**	**294**	**208**	**867**
Effect of movements in foreign exchange	–	(1)	–	(1)
Additions	15	20	41	76
Disposals	(3)	(6)	(16)	(25)
Subsidiaries and joint ventures acquired (1)	(1)	(2)	(3)	(6)
Transfer to assets classified as held for sale (2)	(18)	(19)	(6)	(43)
Transfers and other changes	(17)	3	(6)	(20)
Balance at 31 December 2011	**341**	**289**	**218**	**848**
Effect of movements in foreign exchange	1	1	–	2
Additions	17	20	28	65
Disposals (3)	(15)	(15)	(23)	(53)
Transfers and other changes	29	7	(35)	1
Balance at 31 December 2012	**373**	**302**	**188**	**863**
Depreciation and impairment losses				
Balance at 1 January 2011	**(160)**	**(202)**	**(132)**	**(494)**
Effect of movements in foreign exchange	–	–	–	–
Depreciation charge for the year	(16)	(30)	(22)	(68)
Impairment losses recognised for the year	(1)	–	–	(1)
Disposals	1	6	16	23
Subsidiaries and joint ventures disposed of (1)	1	2	2	5
Transfer to assets classified as held for sale (2)	11	16	5	32
Transfers and other changes	11	1	1	13
Balance at 31 December 2011	**(153)**	**(207)**	**(130)**	**(490)**
Effect of movements in foreign exchange	–	(1)	–	(1)
Depreciation charge for the year	(16)	(29)	(22)	(67)
Impairment losses recognised for the year	–	–	–	–
Disposals (3)	5	15	22	42
Transfers and other changes	(2)	(1)	2	(1)
Balance at 31 December 2012	**(166)**	**(223)**	**(128)**	**(517)**
Carrying amount:				
At 31 December 2011	**188**	**82**	**88**	**358**
At 31 December 2012	**207**	**79**	**60**	**346**

(1) See note 4 and 6.2.
(2) See note 4
(3) A building owned in London was disposed of in 2012 for € 21 million, net of transaction costs. The related capital gain amounted to € 14 million ("Other operating income")

Net tangible assets held under finance leases at 31 December 2012 amount to €3 million (2011: €3 million).

8. 4. Investments in associates

	2012 €m	2011 €m
Balance at 1 January	**356**	358
Effect of movements in foreign exchange	**–**	1
Share of results of associates	**(53)**	38
Dividend distribution	**(38)**	(40)
Change in ownership interest and other changes	**(11)**	(1)
Transfers to assets classified as held for sale	**(3)**	–
Balance at 31 December	**251**	356

Investments in associates include Grupo Antena 3 and RTL II:

In December 2011, Grupo Antena 3 and La Sexta signed an agreement for the merger of the two broadcasting companies. This was approved by the companies' Boards and Shareholders' Meetings and, following final regulatory approval, La Sexta was absorbed into Grupo Antena 3 in October 2012. The transaction qualified as a business combination since Grupo Antena 3 gained the control of La Sexta. La Sexta's shareholders received 7 per cent of the share capital of Grupo Antena 3, in exchange for all assets and liabilities of La Sexta. The stock price of Grupo Antena 3 on the Madrid stock exchange at the date of the formal approval of the transaction was €3.37. In consideration for this transaction, Grupo Antena 3 delivered 1,181,296 treasury shares and issued 14,620,000 new shares (€49 million), of which 1,181,296 shares are without right to dividends during a period of two years.

La Sexta shareholders will receive an additional 7 per cent of Grupo Antena 3 in a graduated manner and at the latest in June 2017 through the delivery by Grupo Antena 3 of a fixed number of treasury shares (15,818,704) held by Grupo Antena 3 at 31 December 2012. Should the target of earnings before taxes during the period 2012 to 2016 not, or partially not, be reached by Grupo Antena 3, La Sexta shareholders separately agreed that they would have to pay all or part of these treasury shares to Grupo Antena 3 at the closing price of 30 June 2017.

The transaction resulted in a dilution of RTL Group's interest generating a capital loss of €8 million (see note 7.3.).

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

	2012		2011	
	Perpetual growth rate % a year	**Discount rate %**	Perpetual growth rate % a year	Discount rate %
Main associates				
Grupo Antena 3	**2.0**	**10.7**	2.5	10.1
RTL II	**2.5**	**8.3**	2.0	8.6

The recoverable amount of Grupo Antena 3 has been determined on the basis of the fair value less costs to sell at 31 December 2012. RTL Group management consequently recorded an impairment loss amounting to €72 million against the carrying value of Grupo Antena 3 reduced to €167 million.

The recoverable amount of RTL II has been determined on the basis of its value in use.

The investment in the associate Ad Society has been fully impaired at 31 December 2012 generating a loss of €10 million on the basis of the current performance and of the refusal of shareholders to provide additional funding unless the financial performance will be improved. An impairment loss had already been recognised in 2011 for an amount of €8 million.

Share of results of associates:

	2012 €m	2011 €m
Share of result after tax	**29**	44
Impairment of investments in associates	**(82)**	(6)
	(53)	38

Grupo Antena 3 and RTL II mainly contributed in 2012 to the "Share of results of associates" for €(66) and €13 million, respectively (2011: €20 and €13 million, respectively).

Some associates of the German radio business unit holding 16 per cent in Radio Regenbogen have been classified as assets held for sale (€3 million).

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

2012	Country of incorporation	Assets €m	Liabilities €m	Equity €m	Revenue €m	Profit for the year €m	Interest held %
Grupo Antena 3	Spain	1,174	838	336	741	32	20.5
RTL 2 GmbH & Co. KG	Germany	109	60	49	285	37	35.8

2011	Country of incorporation	Assets €m	Liabilities €m	Equity €m	Revenue €m	Profit for the year €m	Interest held %
Grupo Antena 3	Spain	783	489	294	805	93	21.7
RTL 2 GmbH & Co. KG	Germany	108	62	46	290	36	35.8

Based on the published share price at 31 December 2012, the market capitalisation of 100 per cent of Grupo Antena 3 amounts to €880 million, i.e. €3.9 per share (2011: €982 million, i.e. €4.65 per share).

8. 5. Loans and other financial assets

	2012 €m	2011 €m
Available-for-sale investments (see note 8.14.5.)	**116**	106
Surplus of the defined benefit plans (see note 8.13.)	**6**	5
Loans and other financial assets	**86**	138
	208	249

On 13 January 2012, Groupe M6 disposed of its 9.1 per cent interest in Summit Entertainment following the sale of the studio to Lions Gate. RTL Group has recognised a capital gain from the disposal of €20 million presented in "Financial results other than interest" (see note 7.5.) and received a 0.4 per cent interest in Lions Gate. This available-for-sale investment is listed on the New York Stock Exchange and presented in level 1 according to the IFRS7 guidance.

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

A reversal of impairment loss has been recorded in 2012 for an amount of €1 million (2011: € nil million).

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

	2012 €m	2011 €m
Balance at 1 January	**106**	111
Net acquisitions and disposals	**7**	4
Change in fair value	**14**	(1)
Impairment losses and other changes	**(11)**	(8)
Balance at 31 December	**116**	106

8. 6. Deferred tax assets and liabilities

	2012 €m	2011* €m
Deferred tax assets	**377**	361
Deferred tax liabilities	**(62)**	(57)
	315	304

	2012 €m	2011 €m
Balance at 1 January	**304**	373
Income tax expense (continuing operations)	**(6)**	(14)
Income tax income/(expense) (discontinued operations)	**–**	2
Income tax credited/(charged) to equity (1)	**17**	(20)
Change in consolidation scope	**–**	(37)
Balance at 31 December	**315**	304

* *Re-presented (see note 6.2.)*

(1) Of which:
- *€(3) million (2011: €1 million) related to derivatives on equity instruments;*
- *€1 million (2011: €3 million) related to share options granted to employees;*
- *€6 million (2011: €(15) million) related to effective portion of changes in fair value of cash flow hedges;*
- *€8 million (2011: €3 million) related to change in fair value of cash flow hedges transferred to profit or loss;*
- *€6 million (2011: €nil million) related to defined benefit plan actuarial gains/(losses); and*
- *€(1) million (2011: €(12) million) related to change in fair value of available-for-sale investments.*

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

Unrecognised deferred tax assets amount to € 1,557 million at 31 December 2012 (2011: € 1,523 million). Deferred tax assets are recognised on tax losses carry forwards to the extent that realisation of the related tax benefit through the future taxable profits are probable. The Group has unrecognised tax losses of € 5,370 million (2011: € 5,297 million) to carry forward against future taxable income which relate to Hungary and Luxembourg (2011: Luxembourg only) and have no expiry date.

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

Deferred tax assets	Balance at 1 January 2012 €m	(Charged)/ credited to income statement €m	Charged to equity €m	Transfers and other changes €m	Balance at 31 December 2012 €m
Intangible assets	159	(20)	–	–	139
Programme rights	132	20	–	–	152
Property, plant and equipment	1	1	–	–	2
Provisions	75	4	6	–	85
Tax losses (see note 7.6.)	44	(5)	–	–	39
Others	19	(6)	25	–	38
Set off of tax	(69)	–	–	(9)	(78)
	361	**(6)**	**31**	**(9)**	**377**

Deferred tax liabilities	Balance at 1 January 2012 €m	(Charged)/ credited to income statement €m	Charged to equity €m	Transfers and other changes €m	Balance at 31 December 2012 €m
Intangible assets	(70)	(1)	–	–	(71)
Property, plant and equipment	(17)	2	–	(1)	(16)
Provisions	(7)	(1)	–	–	(8)
Others	(32)	–	(14)	1	(45)
Set off of tax	69	–	–	9	78
	(57)	**–**	**(14)**	**9**	**(62)**

Deferred tax assets	Balance at 1 January 2011 €m	(Charged)/ credited to income statement €m	Charged to equity €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2011 €m
Intangible assets	217	(24)	–	(35)	1	159
Programme rights	118	13	–	–	1	132
Property, plant and equipment	1	–	–	–	–	1
Provisions	70	(1)	–	–	6	75
Tax losses (see note 7.6.)	52	(7)	–	(2)	1	44
Others	22	18	(17)	1	(5)	19
Set off of tax	(65)	–	–	–	(4)	(69)
	415	**(1)**	**(17)**	**(36)**	**–**	**361**

Deferred tax liabilities	Balance at 1 January 2011 €m	(Charged)/ credited to income statement €m	Charged to equity €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2011 €m
Intangible assets	(68)	(1)	–	–	(1)	(70)
Property, plant and equipment	(18)	1	–	–	–	(17)
Provisions	(6)	–	–	–	(1)	(7)
Others	(15)	(11)	(3)	(1)	(2)	(32)
Set off of tax	65	–	–	–	4	69
	(42)	**(11)**	**(3)**	**(1)**	**–**	**(57)**

Deferred tax assets and liabilities are offset against each other if they relate to the same tax authority and meet the criteria of offsetting. The term of the deferred taxes on temporary differences is mostly expected to be recovered or settled more than 12 months from the balance sheet date.

8. 7. Current programme rights

	2012 Gross value €m	2012 Valuation allowance €m	2012 Net value €m	2011 Gross value €m	2011 Valuation allowance €m	2011 Net value €m
(Co-)productions	**354**	**(314)**	**40**	344	(313)	31
TV programmes	**54**	**–**	**54**	55	–	55
Other distribution and broadcasting rights	**813**	**(251)**	**562**	793	(223)	570
Sub-total programme rights	**1,221**	**(565)**	**656**	1,192	(536)	656
(Co-)productions and programmes in progress	**142**	**(9)**	**133**	154	(6)	148
Advance, payments on (co-)productions, programmes and rights	**118**	**(1)**	**117**	123	–	123
Sub-total programme rights in progress	**260**	**(10)**	**250**	277	(6)	271
	1,481	**(575)**	**906**	1,469	(542)	927

Additions and reversals of valuation allowance have been recorded for €(107) million and €60 million respectively in 2012 (2011: €(80) million and €64 million respectively).

8. 8. Accounts receivable and other financial assets

	2012 Under 1 year €m	2012 Over 1 year €m	2012 Total €m	2011* Under 1 year €m	2011* Over 1 year €m	2011* Total €m
Trade accounts receivable	**1,102**	**5**	**1,107**	1,002	6	1,008
Accounts receivable from associates	**22**	**–**	**22**	22	–	22
Prepaid expenses	**98**	**–**	**98**	79	2	81
Fair value of derivative assets	**20**	**22**	**42**	44	52	96
Current deposit with shareholder (1) (see note 10.1.)	**426**	**–**	**426**	589	–	589
Other current financial assets (see note 3.3.1.)	**82**	**–**	**82**	2	–	2
Account receivable from shareholder in relation with PLP agreement (see note 10.1.)	**122**	**–**	**122**	209	–	209
Other accounts receivable	**133**	**4**	**137**	121	3	124
	2,005	**31**	**2,036**	2,068	63	2,131

* Re-presented (see note 6.2.)
(1) Including accrued interests

Additions and reversals of valuation allowance have been recorded for €(32) million and €22 million respectively in 2012 (2011: €(30) million and €21 million respectively).

8. 9. Cash and cash equivalents

	2012 €m	2011 €m
Cash in hand and at bank	**204**	133
Fixed term deposits (under three months)	**225**	175
Other cash equivalents	**221**	393
Cash and cash equivalents (excluding bank overdrafts)	**650**	701
Cash and cash equivalents (excluding bank overdrafts)	**650**	701
Bank overdrafts (see note 8.10.)	**(5)**	(1)
Cash and cash equivalents	**645**	700

"Other cash equivalents" include money market funds for €221 million (2011: €293 million).

The current deposit with the shareholder is presented in accounts receivable (see note 8.8.).

8. 10. Loans and bank overdrafts

Current liabilities	2012 €m	2011 €m
Bank overdrafts	**5**	1
Bank loans payable	**3**	8
Leasing liabilities	**2**	1
Other current loans payable	**6**	32
	16	42

Non-current liabilities	2012 €m	2011 €m
Leasing liabilities	**5**	2
Other non-current loans payable	**8**	9
	13	11

Term and debt repayment schedule:

2012	Under 1 year €m	1–5 years €m	Over 5 years €m	Total carrying amount €m
Bank overdraft	5	-	-	5
Bank loans payable	3	-	-	3
Leasing liabilities	2	5	-	7
Other loans payable	6	3	5	14
	16	**8**	**5**	**29**
2011				
Bank overdraft	1	–	–	1
Bank loans payable	8	–	–	8
Leasing liabilities	2	1	–	3
Other loans payable	31	9	1	41
	42	**10**	**1**	**53**

8. 11. Accounts payable

Current accounts payable	2012 €m	2011 €m
Trade accounts payable	**1,271**	1,165
Amounts due to associates	**3**	2
Employee benefits liability	**141**	159
Deferred income	**121**	106
Social security and other taxes payable	**75**	67
Fair value of derivative liabilities	**13**	14
Account payable to shareholder in relation with PLP agreement (see note 10.1.)	**191**	278
Other accounts payable	**341**	363
	2,156	2,154

Non-current accounts payable	2012 1–5 years €m	2012 Over 5 years €m	2012 Total €m	2011 1–5 years €m	2011 Over 5 years €m	2011 Total €m
Trade accounts payable	**48**	**6**	**54**	46	8	54
Employee benefits liability	**32**	**180**	**212**	1	162	163
Deferred income	**2**	**1**	**3**	6	2	8
Fair value of derivative liabilities	**6**	**–**	**6**	2	–	2
Other accounts payable	**28**	**16**	**44**	79	13	92
	116	**203**	**319**	134	185	319

8. 12. Provisions

8. 12. 1. Provisions other than post-employment benefits

	Restructuring €m	Litigations €m	Onerous contracts €m	Other provisions €m	Total €m
Balance at 1 January 2012	**4**	**121**	**108**	**22**	**255**
Provisions charged/(credited) to the income statement					
– Additions	4	41	73	8	126
– Reversals	–	(16)	(10)	(3)	(29)
Provisions used during the year	(3)	(35)	(50)	(3)	(91)
Other changes	–	2	1	(2)	1
Balance at 31 December 2012	**5**	**113**	**122**	**22**	**262**

The provisions mainly relate to the following:

- Provisions for litigations correspond to the Group's best estimate of the expected future cash outflow related to disputes arising from the Group's activities. No further information is disclosed as it may harm the Group's position;
- "Onerous contracts" mainly comprise provisions made by Mediengruppe RTL Deutschland for €76 million (2011: €46 million) and €39 million by Groupe M6 (2011: €55 million) in relation to the supply of programmes, most of which are sports programmes. Out of €73 million of provisions recorded during the year, €31 million were charged to profit or loss as a result of the significant decline in the advertising market over the life of several sports rights contracts. The single most significant charge of €17 million relates to the Formula 1 contract for the German territory which runs until the end of 2015. Should the expected downturn in advertising income not materialise to the extent assessed by the management, the balance of the onerous contracts provisions in the next financial year might be adjusted.

	2012 €m	2011 €m
Current	**219**	238
Non-current	**43**	17
	262	255

8. 12. 2. Post-employment benefits

	2012 €m	2011 €m
Balance at 1 January	**99**	94
Provisions charged/(credited) to the income statement		
– Additions (1)	**21**	19
– Reversals	**(1)**	–
Provisions used during the year (1)	**(17)**	(15)
Actuarial losses directly recognised in equity	**30**	–
Transfer to liabilities directly associated with non-current assets classified as held for sale	**–**	(3)
Other changes	**1**	4
Balance at 31 December	**133**	99

(1) Of which defined contributions plan for €9 million (2011: €7 million)

"Post-employment benefits" comprise provision for defined benefit obligations (see note 8.13.) for €129 million (2011: €95 million) and provision for other employee benefits for €4 million (2011: €4 million).

	2012 €m	2011 €m
Current	**2**	2
Non-current	**131**	97
	133	99

8. 13.

Post-employment benefits

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

Belgium

Employees of RTL Belgium participate in a defined benefit plan insured with the insurance company AXA, which provides pension benefits to members and their dependants on retirement and death. The assets of the insurance contract are not segregated but mutualised within the global assets of the insurance company ("Branche 21"). A guaranteed interest rate is provided by AXA.

France

Groupe M6, Ediradio, ID and IP France operate retirement indemnity plans, which by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at date of termination of employment in accordance with the applicable collective agreement. The Ediradio, ID retirement indemnity plan is partly funded by an insurance contract with AXA. Ediradio also participates in a defined benefit plan which provides pension benefits to members on retirement. This plan is partly funded by an insurance contract with AXA. The assets of the insurance contract are not segregated but mutualised within the global assets of the insurance company. A guaranteed interest rate is provided by AXA.

Germany

Employees of UFA Berlin Group (including UFA Fernsehproduktion, UFA Entertainment, UFA Film & TV Produktion), Universum Film, Grundy Light Entertainment, Teamworx Television & Film, AVE Hörfunkbeteiligung, UFA Film & Fernsehen and RTL Group Deutschland participate in an unfunded common group retirement plan which is defined benefit in nature. The company Grundy UFA TV Produktions has a partly funded plan. Each employer which participates in this plan has separately identifiable liabilities.

RTL Television and IP Deutschland operate their own retirement arrangements. IP Deutschland sponsors individual plans for five former employees, providing defined pension benefits to each employee at retirement.

RTL Television sponsors individual plans for two employees and two former employees, providing defined pension benefits to each employee at retirement. In addition, a number of employees participate in a support fund providing pension benefits to members and their dependants on retirement and death.

The plan of RTL Television is partly funded by a life insurance contract with AXA. The assets of the insurance contract are not segregated but mutualised within the global assets of the insurance company. A guaranteed interest rate is provided by AXA.

Luxembourg

Employees of CLT-UFA, RTL Group and Broadcasting Center Europe participate in a defined benefit plan, which provides pension benefits to members and their dependants on retirement, death and disability. CLT-UFA, RTL Group and BCE set up a provision for the unfunded retirement benefit plan. Death and disability are insured with Cardif Lux Vie.

United Kingdom

FremantleMedia Group Limited is the principal employer of the Fremantle Group Pension Plan ("the Fremantle Plan"), which was established on 29 December 2000 and was, prior to 1 September 2005, known as the RTL Group UK Pension Plan. The Fremantle Plan provides both defined benefit and defined contribution benefits. Plan assets are held for both sections of the plan and are mainly composed of equity instruments.

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

	2012 €m	2011 €m
Present value of funded obligations	**132**	105
Fair value of plan assets	**(101)**	(85)
	31	20
Present value of unfunded obligations	**92**	70
Net liability	**123**	90
Assets (see note 8.5.)	**6**	5
Provisions (see note 8.12.2.)	**129**	95
Experience adjustments on assets gains / (losses)	**3**	(2)
Experience adjustments on provisions (gains) / losses	**1**	1

The movement in the present value of funded / unfunded defined benefit obligation over the year is as follows:

	2012 €m	2011 €m
Balance at 1 January	**175**	168
Current service cost	**7**	7
Interest cost (see note 7.4.)	**9**	8
Actuarial gains / (losses)	**35**	(1)
Employee contributions	**1**	1
Benefits paid by employer	**(4)**	(4)
Benefits paid out of the plan assets	**(2)**	(2)
Foreign exchange differences	**3**	1
Transfer to liabilities directly associated with non-current assets classified as held for sale	**–**	(3)
Balance at 31 December	**224**	175

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

	2012 €m	2011 €m
Balance at 1 January	**85**	80
Expected return on plan assets (see note 7.4.)	**4**	4
Actuarial gains / (losses)	**2**	(2)
Employer contributions	**9**	5
Employee contributions	**1**	1
Benefits paid out of the plan assets	**(2)**	(2)
Settlements	**–**	(2)
Foreign exchange differences	**2**	1
Balance at 31 December	**101**	85

Plan assets are comprised as follows:

	2012 €m	2011 €m
Equity instruments	**59**	48
Debt instruments	**37**	32
Property	**2**	2
Other	**3**	3
Fair value of plan assets	**101**	85

The actual return on plan assets was €6 million (2011: €2 million).

Expected contributions to post-employment benefit plans for the year ending 31 December 2013 are €7 million.

The amounts recognised in the income statement are as follows:

	2012 €m	2011 €m
Current service cost	**7**	7
Total included in employee benefits expenses (see note 7.2.1.)	**7**	7

	2012 €m	2011 €m
Interest cost	**9**	8
Expected return on plan assets	**(4)**	(4)
Total included in net interest expense (see note 7.4.)	**5**	4

The cumulated amount of the actuarial losses recognised in equity at 31 December 2012 is €(47) million (2011: €(14) million).

The principal actuarial assumptions used were as follows:

	2012 % a year	2011 % a year
Discount rate	**2.80–4.70**	4.75–5.10
Expected return on plan assets	**2.80–4.70**	3.50–4.50
Long-term inflation rate	**1.80–2.30**	1.80–2.50
Future salary increases	**2.15–4.50**	2.25–4.50
Future pension increases	**1.80–2.85**	1.80–3.05

8. 14. Equity

8. 14. 1. Share capital

At 31 December 2012, the subscribed capital amounts to €192 million (2011: €192 million) and is represented by 154,787,554 (2011: 154,787,554) fully paid-up ordinary shares, without nominal value. All shares have the same rights and entitlements.

8. 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 2012, the Group holds 1,168,701 own shares (2011: 1,168,701) at a cost of €44 million (2011: €44 million).

8. 14. 3. Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, reserves on associates for foreign exchange translation differences and cash flow hedging, as well as loans designated to form part of the Group's net investment in specific undertakings as repayment of those loans is not anticipated within the foreseeable future.

8. 14. 4. Hedging reserve

The hedging reserve (equity attributable to non-controlling interests included) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Between 31 December 2011 and 31 December 2012, the hedging reserve decreased by €46 million before tax effect. This consists of:

- Decrease by €12 million due to foreign exchange contracts that existed at 2011 year end and which were still hedging off-balance sheet commitments at 31 December 2012;
- Decrease by €26 million due to foreign exchange contracts that existed at 2011 year end but which were incorporated in the cost of the hedged item and subsequently consumed and released in 2012 from the hedging reserve to income statement;
- Decrease by €8 million due to foreign exchange contracts hedging new off-balance sheet commitments.

Between 31 December 2010 and 31 December 2011, the hedging reserve increased by €45 million before tax effect. This consists of:

- Increase by €13 million due to foreign exchange contracts that existed at 2010 year end and which were still hedging off-balance sheet commitments at 31 December 2011;
- Decrease by €9 million due to foreign exchange contracts that existed at 2010 year end but which were incorporated in the cost of the hedged item and subsequently consumed and released in 2011 from the hedging reserve to income statement;
- Increase by €41 million due to foreign exchange contracts hedging new off-balance sheet commitments.

8. 14. 5.

Revaluation reserve

The revaluation reserve includes:

- The cumulative change net of tax in the fair value of available-for-sale investments (see note 8.5.) until the investment is derecognised or impaired for €41 million (2011: €21 million);
- The cumulative increase in the fair value of the intangible assets and property, plant and equipment following the gains of control of Groupe M6 and M-RTL and the acquisition of associates achieved in stages (2012: €54 million; 2011: €54 million).

8. 14. 6.

Dividends

The dividends in respect of 2011 amounted to €5.1 per share, or €789 million.

On 24 February 2013, the Board of Directors of RTL Group SA decided to distribute an interim dividend, comprising an ordinary dividend of €5.1 per share and an extraordinary dividend of €5.4 per share.

The Board of 24 February 2013 also approved a new dividend policy going forward, targeting a pay-out ratio of 50 to 75 per cent of the adjusted consolidated net profit attributable to RTL Group shareholders within the limit of the Company's distributable reserves.

At the Annual General Meeting of RTL Group SA on 17 April 2013, a dividend in respect of 2012 of €10.5 per share (of which €5.4 as extraordinary dividend) 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 2012.

8. 14. 7.

Share options

Groupe M6 Share Option Plan

Groupe M6 has established employee share option plans open to directors and certain employees within the group. The number of options granted to participants is approved by the Supervisory Board of Métropole Télévision SA in accordance with the authorisation given by the General Meeting of Shareholders.

The terms and conditions of the grants are as follows, whereby all options are settled by physical delivery of shares:

	Grant date	Number of options initially granted (in thousands)	Remaining options (in thousands)	Vesting conditions	Contractual life of options (1)
Stock options plans					
	06–2005	635.50	–	4 years of service	7 years
	06–2006	736.75	395.25	4 years of service	7 years
	05–2007	827.50	519.50	4 years of service	7 years
	05–2008	883.83	639.36	4 years of service	7 years
Total		**3,083.58**	**1,554.11**		

	Grant date	Maximum number of free shares granted (in thousands) (2)	Remaining options (in thousands)	Vesting conditions
Free shares plans				
	03–2010	22.00	–	2 years of service
	07–2010	377.78	–	2 years of service + performance conditions
	12–2010	48.00	–	2 years of service + performance conditions
	07–2011	367.82	318.98	2 years of service + performance conditions
	12–2011	37.50	33.50	2 years of service + performance conditions
	07–2012	487.75	487.75	2 years of service + performance conditions
Total		**1,340.85**	**840.23**	

(1) Contractual life of options corresponds to the vesting period (i.e. four years) plus three years (which represents the time frame during which the options can be exercised)

(2) The maximum number of free shares granted if the performance conditions are significantly exceeded. Such number could be reduced to nil if objectives are not met

The Free Shares Plans are subject to performance conditions except the plan at 25 March 2010. A description by plans is given below:

- The plans at 27 July 2010, 26 July 2011 and 27 July 2012 are subject to Groupe M6 achieving its target growth in net consolidated result over the periods 2010, 2011 and 2012 respectively;
- The plans at 22 December 2010 and 2011 are subject to the Ventadis area achieving its target growth in operating result over the periods 2010, 2011 and 2012 respectively.

The price to be paid to exercise each of the remaining options is the average value of shares in Métropole Télévision on the Paris Stock Exchange over the 20 trading days preceding the date of grant with the exception of the management free share allocation plan.

Movements in the number of share options are as follows:

In thousands of options	Average exercise price in € per share	2012	Average exercise price in € per share	2011
Options outstanding at the beginning of the year	21	**2,093**	22	2,722
Options exercised during the year	–	**–**	15	(3)
Options expired during the year	21	**(539)**	24	(626)
Options outstanding at the end of the year	21	**1,554**	21	2,093

Approximately 840,000 free shares are still exercisable at the end of the year against 824,000 at the beginning of the year which have been reduced by 16,000 due to the performance. 488,000 free shares were granted during the year with 391,000 being exercised and 65,000 being forfeited.

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

	Expiry date	Exercise price in €	Number of options 2012	Number of options 2011
Stock options plans				
	2012	19.94	**–**	369
	2013	24.60	**395**	446
	2014	27.52	**520**	576
	2015	14.73	**639**	702
			1,554	2,093
Free shares plans				
	2012		**–**	427
	2013		**352**	397
	2014		**488**	–
			840	824
Total			**2,394**	2,917
Out of which exercisable			**1,341**	1,859

The market price of Métropole Télévision shares on the Paris Stock Exchange was €11.82 at 31 December 2012 (€11.53 at 31 December 2011).

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The estimate of fair value of the services received is measured based on a binomial model. Free shares are valued at the share price at the date they are granted less the discounted dividends that employees cannot receive during the vesting period.

Grant date	Share price in €	Strike price in €	Historical volatility (3) %	Risk-free interest rate % a year	Expected return % a year	Option life	Employee expense 2012 €m	Employee expense 2011 €m
Stock options plans:								
06/06/2006	24.63	24.60	43.1	4.02	3.81	7 years	**–**	–
02/05/2007	26.55	27.52	37.8	4.40	3.99	7 years	**–**	0.2
06/05/2008	15.22	14.73	40.0	4.39	6.30	7 years	**–**	0.6
							0.0	0.8
Free shares plans:								
28/07/2009	13.00	n.a.	n.a.	2.49	4.90	2 years	**–**	1.3
23/12/2009	18.02	n.a.	n.a.	1.42	4.01	2 years	**–**	0.4
25/03/2010	18.84	n.a.	n.a.	1.00	5.04	2 years	**–**	0.2
27/07/2010	17.66	n.a.	n.a.	1.00	5.38	2 years	**1.5**	2.6
22/12/2010	18.22	n.a.	n.a.	1.13	5.49	2 years	**0.2**	0.3
26/07/2011	15.75	n.a.	n.a.	1.56	6.35	2 years	**2.2**	1.0
22/12/2011	11.40	n.a.	n.a.	1.02	9.60	2 years	**0.2**	–
27/07/2012	11.51	n.a.	n.a.	0.24	9.50	2 years	**0.7**	–
							4.8	5.8
Total							**4.8**	6.6

(3) Historical volatility retained was determined on the basis of a period equal to the maturity of each plan

8. 14. 8.
Transactions on non-controlling interests

These transactions mainly relate to:

2012

Transactions on non-controlling interests without a change in control:

- In 2011, Groupe M6 entered into a share buyback programme. Approval was given to the company to buy back shares on the open market over a 24-month period up to a maximum of 5 per cent of the subscribed capital. Groupe M6 has acquired own shares for its free share allocation plan and in respect of the liquidity programme. For the period ended 31 December 2012, 1,006 thousand shares have been acquired (of which 480 thousand from Bayard d'Antin SA) and 500 thousand cancelled. The related outflows amount for the Group to €12 million.

Transactions on non-controlling interests with a change in control:

- Alpha (see note 4.)

2011

Transactions on non-controlling interests without a change in control:

- On 25 July 2011, RTL Group acquired the remaining 26 per cent of the share capital of RTL Croatia from the non-controlling shareholders for an amount of €15.3 million. The transaction resulted in a cash-out in 2011 of €12.6 million and impact on equity attributable to RTL shareholders of €13 million;
- In December 2011, RTL Group unilaterally increased the capital of Alpha Media Group Ltd (see note 4.);
- M-RTL (see note 6.2.);
- RTL Nederland (see note 6.2.);
- Following the approval to enter into a share buyback programme, Groupe M6 acquired and cancelled 2,577 thousand shares (of which 960 thousand from Bayard d'Antin SA) for the period ended 31 December 2011. Groupe M6 acquired own shares for its free share allocation plan and in respect of the liquidity programme. The related outflows amounted for the Group to €20 million.

Transactions on non-controlling interests with a change in control:

- Buienradar (see note 6.2.);
- Slam!FM (see Dutch Radios, note 6.2.).

8. 14. 9.
Derivatives on equity instruments

Derivative instruments relate to forward transactions by Groupe M6 on Métropole Télévision SA shares.

9. COMMITMENTS AND CONTINGENCIES

	2012 €m	2011 €m
Guarantees and endorsements given	**43**	123
Contracts for purchasing rights, (co-)productions and programmes	**2,039**	2,171
Operating leases	**498**	527
Purchase obligations in respect of transmission and distribution	**215**	199
Other long-term contracts and commitments	**148**	208
Of which discontinued operations Alpha	**–**	*18*

The Group has investments in unlimited liability entities. In the event these entities make losses, the Group may have to participate to the entire amount of losses, even if these entities are not wholly owned.

Certain UK companies in the FremantleMedia group have elected to make use of new audit exemption regulations for non-dormant subsidiaries introduced at the end of 2012. In order to fulfil the conditions set out in the regulations, the Company has given a statutory guarantee of all outstanding liabilities to which the subsidiaries are subject at the end of the financial year to 31 December 2012. A full list of the companies who have made use of the audit exemption is presented in note 13.

9. 1. Guarantees and endorsements given

On 23 July 2010, Five Group was sold to Northern & Shell, a group domiciled in the United Kingdom. The term of the sale agreement stipulated that RTL Group continues to provide guarantees to third parties on behalf of Five Group. Northern & Shell has provided back-to-back guarantees to RTL Group. The related amounts stand at €23 million at 31 December 2012 (2011: €59 million) (see note 4.).

9. 2. Operating leases

Non-cancellable operating lease rentals are as follows:

Lease payments	2012 Under 1 year €m	2012 1–5 years €m	2012 Over 5 years €m	2012 Total €m	2011 Under 1 year €m	2011 1–5 years €m	2011 Over 5 years €m	2011 Total €m
Leasing of satellite transponders	**1**	**55**	**38**	**94**	19	38	11	68
Other operating leases	**63**	**176**	**165**	**404**	71	192	196	459
	64	**231**	**203**	**498**	90	230	207	527

"Other operating leases" mainly relates to the rental of offices, buildings and equipment in Germany, France and the United Kingdom.

9. 3. Purchase obligations in respect of transmission and distribution

These obligations result from agreements with providers of services related to the terrestrial and cable transmission and distribution of the analogical and digital signals of the RTL Group TV channels and radio stations.

9. 4. Other long-term contracts and commitments

The Group has "Other long-term contracts and commitments" amounting to €148 million at 31 December 2012 (2011: €208 million).

Long-term contracts include contracts for services, agreements to purchase assets or goods, and commitments to acquire licences other than audiovisual rights and television programming that are enforceable and legally binding and that specify all significant terms. Other commitments relate to sale and lease back transactions in respect of FremantleMedia.

FremantleMedia has arrangements for a remaining period of five years in relation to sale and lease back transactions for an amount of €45 million (2011: €59 million). Under these arrangements, FremantleMedia has sold programme rights to a special purpose vehicle and simultaneously leased back the assets under a finance lease arrangement. The cash received is placed in a "restricted bank account" at A-rated banks in order to satisfy the lease payments, and is not considered as an asset in accordance with SIC 27. Income received by FremantleMedia was recognised in the income statement when entering into these arrangements.

9. 5. Licence agreement

In the course of their activities, several Group companies benefit from licence frequency agreements, which commit the Group in various ways depending upon the legal regulation in force in the countries concerned.

10. RELATED PARTIES

Identity of related parties
At 31 December 2012, the principal shareholder of the Group is Bertelsmann Capital Holding GmbH ("BCH") (92.3 per cent). The remainder of the Group's shares are publicly listed on the Brussels and Luxembourg stock exchanges. The Group also has a related party relationship with its associates, joint ventures and with its directors and executive officers.

10. 1. Transactions with shareholders

Sales and purchases of goods and services
During the year the Group made sales of goods and services, purchases of goods and services to Bertelsmann Group amounting to €7 million (2011: €7 million) and €21 million (2011: €20 million), respectively. At the year-end, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €6 million (2011: €6 million) and €5 million (2011: €5 million), respectively.

Deposits Bertelsmann SE & Co. KGaA
With the view to investing its cash surplus, RTL Group SA entered in 2006 with Bertelsmann SE & Co. KGaA (previously Bertelsmann AG) into a Deposit Agreement, the main terms of which are:

- Interest rates are based on an overnight basis on EONIA plus 10 basis points; or on a one to six month basis, EURIBOR plus 10 basis points;
- Bertelsmann SE & Co. KGaA grants to RTL Group as security for all payments due by Bertelsmann SE & Co. KGaA a pledge on:
  - All shares of its wholly owned French subsidiary Média Communication SAS;
  - All shares of its wholly owned Spanish subsidiary Media Finance Holding SL;
  - All its interests in the German limited liability partnership Gruner + Jahr AG & Co. KG (73.4 per cent stake);
  - All shares of its wholly owned English subsidiary Bertelsmann UK Ltd.

The interests in Gruner + Jahr AG & Co. KG and shares of Bertelsmann UK Ltd have also been granted as pledge by Bertelsmann SE & Co. KGaA to CLT-UFA SA, a subsidiary of RTL Group, in connection with the accounts receivable related to PLP and Compensation Agreements as defined below.

At 31 December 2012, the amount – principal deposited amounts to €51 million (2011: €113 million) on an overnight basis and €300 million (2011: €425 million) on a five-month basis (2011: three-month basis). The interest income for the year amounts to €2.5 million (2011: €8 million).

On 22 December 2011, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement related to the deposit of surplus cash by RTL Group Deutschland GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group Deutschland GmbH its aggregate current partnership interest in Gruner + Jahr AG & Co. KG as well as all additional partnership interests in Gruner + Jahr it may create or acquire. At 31 December 2012, the four-month deposit of RTL Group Deutschland GmbH with Bertelsmann amounted to €75 million (2011: €50 million). The interest income for the year amounts to €0.5 million (2011: € nil).

RTL Group SA has additionally entered into a Treasury Agreement in North America with Bertelsmann Inc. Interest rates are based on US Libor plus 10 basis points. At 31 December 2012, the balance of the cash pooling payable amounts to € nil million (2011: cash pooling payable for €0.4 million). The interest income/expense for the year is below €1 million (2011: below €1 million).

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

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

Through these agreements, as from 1 January 2008, Bertelsmann SE & Co. KGaA and the RGD subgroup of RTL Group are treated as a single entity for German income tax purposes.

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

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

At 31 December 2012, the balance payable to BCH amounts to €191 million (2011: €278 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €122 million (2011: €209 million).

For the year ended 31 December 2012, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €140 million (2011: €142 million). The Commission amounts to €69 million (2011: €69 million).

The UK Group relief of Five Group (in 2011 only) and FremantleMedia Group to Bertelsmann Group resulted in a tax income of €7 million (2011: €7 million).

10. 2. Transactions with associates and joint ventures

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

	2012 €m	2011 €m
Sales of goods and services to:		
Associates	**25**	38
Joint ventures	**25**	23
	50	61
Purchase of goods and services from:		
Associates	**4**	3
Joint ventures	**9**	9
	13	12

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:

	2012 €m	2011 €m
Trade accounts receivable from:		
Associates	**20**	20
Joint ventures	**3**	4
	23	24
Trade accounts payable to:		
Associates	**3**	2
	3	2

RTL II is a party in legal proceedings with a subsidiary of RTL Group.

10. 3. Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to its key management personnel (members of the Executive Committee), and contributes to a post-employment defined benefit plan on its behalf.

The key management personnel compensation is as follows and reflects benefits for the period for which the individuals held the Executive Committee position:

	2012 €m	2011 €m
Short-term benefits	**7.1**	6.3
Long-term benefits	**2.5**	1.2
	9.6	7.5

10. 4. Directors' fees

In 2012, a total of €0.5 million (2011: €0.5 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors of RTL Group SA and the committees that emanate from it, with respect to their functions within RTL Group SA and other Group companies.

11. INTERESTS IN JOINT VENTURES

The main joint ventures are as follows:

	Country of incorporation	Consolidation rate in % 2012	2011
RTL Disney Fernsehen GmbH & Co. KG	Germany	**50.00**	50.00

Included in the consolidated financial statements are the following items that represent the Group's interests in the assets and liabilities, income and expenses of the joint ventures:

	2012 €m	2011 €m
Non-current assets	**8**	4
Current assets	**50**	50
Current liabilities	**(33)**	(33)
Net assets	**25**	21

	2012 €m	2011 €m
Income	**91**	90
Expenses	**(71)**	(72)

Included in the consolidated financial statements are the following items that represent the Group's interests in the commitments of the joint ventures:

	2012 €m	2011 €m
Contracts for purchasing rights, (co-)productions and programmes	**7**	2
Operating leases	**1**	–
Other long-term contracts and commitments	**17**	9

12. SUBSEQUENT EVENTS

On 1 February 2013, FremantleMedia announced that it is reviewing its FremantleMedia Enterprises (FME) arm with a plan to create one new, stand-alone, global division focused on distribution and kids and family entertainment. All remaining digital, licensing, sponsorship and other ancillary activities previously undertaken by FME will be housed within FremantleMedia's regional production operations. In addition, a new Digital & Branded Entertainment division will be created to focus on the company's global digital and branded entertainment activities. The proposed company structure will significantly strengthen FremantleMedia's core business activities while also better positioning it to capitalise on growth opportunities for the future.

The Board of Directors meeting on 24 February 2013 decided on the following:

- The distribution of an interim dividend amounting to €1.6 billion (see note 8.14.6.) funded by the Group's net cash position and by debt in the form of shareholder loans from Bertelsmann provided at arm's length terms and at current market conditions. The dividends will be paid on 7 March 2013;
- A change in the Group's dividend policy, resulting in a pay-out ratio of between 50 and 75 per cent of the adjusted consolidated net profit attributable to RTL Group shareholders within the limit of the Company's distributable reserves.

13. GROUP UNDERTAKINGS

	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
LUXEMBOURG*						
RTL Group SA			M			M

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
AUSTRIA*						
IPA Plus (Österreich) Verm. für Fernsehwerbung GmbH		49.8	F		49.8	F
BELGIUM*						
Home Shopping Service Belgique SA	(2)	24.3	F	(2)	57.2	F
RTL Belgium SA		65.8	F		65.8	F
Société Européenne de Télévente Belgique GIE	(2)	48.5	F	(2)	48.5	F
Unité 15 Belgique SA	(2)	48.5	F	(2)	48.5	F
CROATIA*						
RTL Hrvatska d.o.o.		99.7	F		99.7	F
CYPRUS*						
Alpha Media Group Limited	(14)	–	NC	(15)	69.7	F
FRANCE*						
33 FM SAS	(2)	46.1	F	(2)	46.1	F
C. Productions SA	(2)	48.6	F	(2)	48.6	F
Edit TV/W9 SAS	(2)	48.6	F	(2)	48.6	F
Football Club des Girondins de Bordeaux SASP	(2)	48.5	F	(2)	48.5	F
Girondins Expressions SASU	(2)	48.6	F	(2)	48.6	F
Girondins Horizons SASU	(2)	48.6	F	(2)	48.6	F
GM6 SAS	(2)	36.4	F		–	NC
Home Shopping Service SA	(2)	48.5	F	(2)	48.5	F
Immobilière 46D SAS	(2)	48.6	F	(2)	48.6	F
Immobilière M6 SA	(2)	48.6	F	(2)	48.6	F
Les Films de la Suane Sàrl	(2)	48.6	F	(2)	48.6	F
Live Stage SAS	(2)	48.6	F	(2)	48.6	F
M6 Bordeaux SAS	(2)	48.6	F	(2)	48.6	F
M6 Boutique la Chaîne SNC	(13)	–	NC	(2)	48.6	F
M6 Communication SAS	(2)	48.6	F	(2)	48.6	F
M6 Créations SAS	(2)	48.6	F	(2)	48.6	F
M6 Développement SASU	(2)	48.6	F	(2)	48.6	F
M6 Diffusions SA	(2)	48.6	F	(2)	48.6	F
M6 Divertissement SAS	(2)	48.6	F	(2)	48.6	F
M6 Editions SA	(2)	48.6	F	(2)	48.6	F
M6 Evénements SA	(2)	48.6	F	(2)	48.6	F
M6 Films SA	(2)	48.6	F	(2)	48.6	F
M6 Foot SAS	(2)	48.6	F	(2)	48.6	F
M6 Génération/6Ter SAS	(2)	48.6	F	(2)	48.6	F
M6 Interactions SAS	(2)	48.6	F	(2)	48.6	F
M6 Publicité SASU	(2)	48.6	F	(2)	48.6	F
M6 Récréative SAS	(2)	48.6	F	(2)	48.6	F
M6 Shop SAS	(2)	48.6	F		–	NC
M6 Studio SAS	(2)	48.6	F	(2)	48.6	F
M6 Thématique SA	(2)	48.6	F	(2)	48.6	F
M6 Toulouse SAS	(2)	48.6	F	(2)	48.6	F
M6 Web SAS	(2)	48.6	F	(2)	48.6	F
Métropole Production SA	(2)	48.6	F	(2)	48.6	F
Métropole Télévision – M6 SA	(2)	48.6	F	(2)	48.6	F
Mistergooddeal SA	(2)	48.6	F	(2)	48.6	F
Monalbumphoto SAS	(2)	46.1	F	(2)	46.1	F
Panorabanque SAS	(2)	24.3	P	(2)	24.3	P
Paris Première SAS	(2)	48.6	F	(2)	48.6	F

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
Quicksign SAS	(2)	**16.5**	E	(2)	16.5	E
SCI du 107	(2)	**48.6**	F	(2)	48.6	F
SEDI TV/ Téva SAS	(2)	**48.6**	F	(2)	48.6	F
Série Club SA	(2)	**24.3**	P	(2)	24.3	P
SND Films LLC	(2)	**48.6**	F		–	NC
SNDA SAS	(2)	**48.6**	F		–	NC
Société Nouvelle de Cinématographie SA *(former DIEM 2 SA)*	(2)	**48.6**	F	(2)	48.6	F
Société Nouvelle de Cinématographie SAS	(13)	**–**	NC	(2)	48.6	F
Société Nouvelle de Distribution SA	(2)	**48.6**	F	(2)	48.6	F
Studio 89 Productions SAS	(2)	**48.6**	F	(2)	48.6	F
TCM Droits Audiovisuels SNC	(2)	**48.6**	F	(2)	48.6	F
Télévente Promotion SA	(13)	**–**	NC	(2)	48.6	F
TF6 Gestion SA	(2)	**24.3**	P	(2)	24.3	P
TF6 SCS	(2)	**24.3**	P	(2)	24.3	P
Unité 15 France SA	(2)	**48.5**	F	(2)	48.5	F

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
GERMANY*						
Ad Audience GmbH	(**)	**–**	NC		24.9	E
arvato systems S4M GmbH *(former S4M Solutions For Media GmbH)*		**19.8**	E		19.8	E
CBC Cologne Broadcasting Center GmbH		**99.7**	F		99.7	F
Clipfish GmbH Co. KG		**99.7**	F		99.7	F
Delta Advertising GmbH		**99.7**	F		99.7	F
El Cartel Media GmbH & Co. KG		**35.8**	E		35.8	E
Gute Zeiten - Schlechte Zeiten Vermarktungsgesellschaft mbH		**99.7**	F		99.7	F
Gutscheine.de HSS GmbH		**99.7**	F		–	NC
I2I Musikproduktions- und Musikverlagsgesellschaft mbH		**99.7**	F		99.7	F
Infonetwork GmbH		**99.7**	F		99.7	F
IP Deutschland GmbH		**99.7**	F		99.7	F
Mediascore Gesellschaft für Medien- und Kommunikationsforschung mbH		**99.7**	F		99.7	F
Netzathleten.net GmbH		**99.7**	F		99.7	F
Norddeich TV Produktionsgesellschaft mbH		**99.7**	F		74.8	F
n-tv Nachrichtenfernsehen GmbH		**99.7**	F		99.7	F
Passion GmbH		**99.7**	F		99.7	F
RTL Creation GmbH		**99.7**	F		99.7	F
RTL Disney Fernsehen GmbH & Co. KG		**49.8**	P		49.8	P
RTL Group Cable & Satellite GmbH		**99.7**	F		99.7	F
RTL Group Deutschland Markenverwaltungs GmbH		**99.7**	F		99.7	F
RTL Hessen GmbH		**99.7**	F		99.7	F
RTL Hessen Programmfenster GmbH		**59.8**	F		59.8	F
RTL Interactive GmbH		**99.7**	F		99.7	F
RTL Nord GmbH		**99.7**	F		99.7	F
RTL Television GmbH		**99.7**	F		99.7	F
RTL WEST GmbH		**74.8**	F		74.8	F
RTL2 Fernsehen Geschäftsführung GmbH		**35.8**	E		35.8	E
RTL2 Fernsehen GmbH & Co. KG		**35.8**	E		35.8	E
Universum Film GmbH		**99.7**	F		99.7	F
Vox Holding GmbH		**99.7**	F		99.7	F
VOX Television GmbH		**99.4**	F		99.4	F
Wer-Kennt-Wen de GmbH		**99.7**	F		99.7	F

(**) Change in method due to a dilution effect

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
GREECE*						
Alpha Doryforiki Tileorasi SA	(14)	–	NC	(15)	69.7	F
HUNGARY*						
Home Shopping Service Hongrie SA	(2)	48.5	F	(2)	48.5	F
Klub Interaktiv Kft	(13)	–	NC	(5)	99.7	F
La Paz Média Holding Zrt	(13)	–	NC	(5)	99.7	F
Magyar RTL Televízió Zártkörűen Mükõdõ Részvénytársaság	(5)	99.7	F	(5)	99.7	F
NetPiac Szamitastechnikai es Kereskedelmi Kft	(5)	99.7	F	(5)	99.7	F
R-Time Kft	(5)	99.7	F	(5)	99.7	F
RTL Kabeltelevizio Kft	(5)	99.7	F	(5)	99.7	F
INDIA*						
Big RTL Broadcast Pvt Ltd		50.0	P		–	NC
LUXEMBOURG*						
Broadcasting Center Europe SA		99.7	F		99.7	F
RTL9 SA		34.9	E		34.9	E
RTL9 SA & Cie SECS		34.8	E		34.8	E
NETHERLANDS*						
Couverts Reserveren BV		99.7	F		99.7	F
RTL Nederland BV		99.7	F		99.7	F
RTL Nederland Holding BV		99.7	F		99.7	F
RTL Nederland Interactief BV		99.7	F		99.7	F
RTL Nederland Ventures 1 BV		99.7	F		99.7	F
RTL Nederland Ventures 3 BV		99.7	F		99.7	F
RTL Nederland Ventures BV		99.7	F		99.7	F
Wentink Events BV		99.7	F		99.7	F
ROMANIA*						
Cable Channels SA		99.7	F		99.7	F

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
SPAIN*						
Antena 3 Canarias SLU	(14)	–	NC	(6)	21.7	E
Antena 3 de Television Colombia SA	(6)	11.3	E	(6)	11.9	E
Antena 3 de Television, SA	(6)	20.5	E	(6)	21.7	E
Antena 3 Directo SAU	(14)	–	NC	(6)	21.7	E
Antena 3 Eventos SL	(6)	20.5	E	(6)	21.7	E
Antena 3 Films SLU	(6)	20.5	E	(6)	21.7	E
Antena 3 Juegos SAU	(6)	20.5	E	(6)	21.7	E
Antena 3 Multimedia SLU	(6)	20.5	E	(6)	21.7	E
Antena 3 Noticias, SLU	(6)	20.5	E		–	NC
Antena 3 Television Digital Terrestre de Canarias SA	(6)	20.5	E	(6)	21.7	E
Atres Advertising SLU	(6)	20.5	E	(6)	21.7	E
Canal 3 Television de Colombia, SA	(6)	4.9	E	(6)	5.2	E
Canal Media Radio Galicia SLU	(6)	20.5	E	(6)	21.7	E
Canal Media Radio SAU	(6)	20.5	E	(6)	21.7	E
Cordina Planet SL	(6)	10.3	E	(6)	10.9	E
Estaciones Radiofonicas de Aragon SAU	(6)	20.5	E	(6)	21.7	E
Gestion Audiovisual de Canarias SL	(14)	–	NC	(6)	4.3	E
Guadiana Producciones SA	(6)	20.5	E	(6)	21.7	E
Hola TV América SL	(6)	10.3	E	(6)	10.9	E
I3 Television SL	(6)	10.3	E	(6)	10.9	E
Ipar Onda SAU	(6)	20.5	E	(6)	21.7	E
La Sexta Editorial Musical, SLU	(6)	20.5	E		–	NC
Movierecord Cine SAU	(14)	–	NC	(6)	21.7	E
Musica Aparte SAU	(6)	20.5	E	(6)	21.7	E
Onda Cero SAU	(6)	20.5	E	(6)	21.7	E
Organizaciones Deportivas y Culturales Unipublic SA	(6)	10.5	E	(6)	11.1	E
Publiseis Iniciativas Publicitarias SAU	(6)	20.5	E		–	NC
Uniprex SAU	(6)	20.5	E	(6)	21.7	E
Uniprex Television Digital Terrestre de Andalusia SLU	(6)	15.2	E	(6)	16.1	E
Uniprex Television SLU	(6)	20.5	E	(6)	21.7	E
Uniprex Valencia Television SLU	(6)	20.5	E	(6)	21.7	E
Unipublic SA	(6)	10.5	E	(6)	11.1	E
Videoreport Canarias SA	(14)	–	NC	(6)	6.5	E
VNews Agencia de Noticias SLU	(14)	–	NC	(6)	21.7	E
SWITZERLAND*						
Goldbach Media (Switzerland) AG		22.9	E		22.9	E
USA*						
SND USA Inc	(2)	48.6	F	(2)	48.6	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
ANTIGUA*						
Grundy International Operations Ltd		**100.0**	F		100.0	F
AUSTRALIA*						
Forum 5 Pty Ltd		**100.0**	F		100.0	F
FremantleMedia Australia Holdings Pty Ltd	(11)	**100.0**	F	(11)	100.0	F
FremantleMedia Australia Pty Ltd	(11)	**100.0**	F	(11)	100.0	F
Grundy Organization Pty Ltd	(11)	**100.0**	F	(11)	100.0	F
Radical Media Pty Ltd	(17)	**100.0**	F	(17)	100.0	F
BELGIUM*						
Fremantle Productions Belgium NV		**100.0**	F		100.0	F
BRAZIL*						
FremantleMedia Brazil Produçâo de Televisâo Ltda		**100.0**	F		100.0	F
CANADA*						
FremantleMedia Canada Holdings Inc		**100.0**	F		100.0	F
Ludia LLC		**100.0**	F		100.0	F
CHINA*						
AdSociety Daye Advertising Co. Ltd		**33.3**	E		33.0	E
Radical Media Co. Ltd	(17)	**100.0**	F	(17)	100.0	F
CROATIA*						
Fremantle Produkcija d.o.o.		**100.0**	F		100.0	F
DENMARK*						
Blu A/S		**100.0**	F		100.0	F
FINLAND*						
Fremantle Finland Oy		**100.0**	F		100.0	F
FRANCE*						
1. 2. 3. Productions SAS *(former 20h50 Television SAS)*		**100.0**	F		100.0	F
Fremantle France SAS		**100.0**	F		100.0	F
TV Presse Productions SAS		**100.0**	F		100.0	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
GERMANY*						
Deutsche Synchron Filmgesellschaft mbH & Co. Karlheinz Brunnemann Produktions KG	(7)	**50.8**	F	(7)	50.8	F
Fremantle Licensing Germany GmbH		**99.7**	F		99.7	F
Grundy Light Entertainment GmbH		**100.0**	F		100.0	F
Grundy Light Entertainment/White Balance GmbH GBR	(14)	**–**	NC		50.8	F
Grundy UFA TV Produktions GmbH	(3)	**99.7**	F	(3)	99.7	F
Objektiv Film GmbH	(13)	**–**	NC	(4)	99.7	F
Phoenix Film Karlheinz Brunnemann GmbH & Co. Produktions KG	(7)	**50.8**	F	(7)	50.8	F
Phönix Geschäftsführungs GmbH	(7)	**50.8**	F	(7)	50.8	F
Radical Media GmbH	(17)	**100.0**	F	(17)	100.0	F
RTL Group Licensing Asia GmbH		**99.7**	F		99.7	F
RTL Group Services GmbH		**99.7**	F		99.7	F
Stargate Germany GmbH	(3)	**49.8**	P		–	NC
Teamworx Television & Film GmbH		**99.7**	F		99.7	F
Trebitsch Produktion Holding GmbH	(13)	**–**	NC	(4)	99.7	F
Trebitsch Produktion Holding GmbH & Co. KG	(13)	**–**	NC	(4)	99.7	F
UFA – Fernsehproduktion GmbH	(3)	**99.7**	F	(3)	99.7	F
UFA – Filmproduktion GmbH	(3)	**99.7**	F	(3)	99.7	F
UFA Brand Communication GmbH	(3)	**99.7**	F	(3)	99.7	F
UFA Cinema GmbH		**99.7**	F		99.7	F
UFA Cinema Verleih GmbH		**99.7**	F		99.7	F
UFA Entertainment GmbH	(3)	**99.7**	F	(3)	99.7	F
UFA Film & TV Produktion GmbH	(3)	**99.7**	F	(3)	99.7	F
UFA Sports GmbH		**99.7**	F		99.7	F
GREECE*						
Fremantle Productions SA		**100.0**	F		100.0	F
Plus Productions SA	(14)	**–**	NC	(15)	69.7	F
HONG KONG*						
Fremantle Productions Asia Ltd		**100.0**	F		100.0	F
HUNGARY*						
Magyar Grundy UFA Kft		**99.7**	F		99.7	F
INDIA*						
Fremantle India TV Productions Pvt Ltd		**100.0**	F		100.0	F
INDONESIA*						
PT Dunia Visitama		**100.0**	F		100.0	F
ITALY*						
FremantleMedia Italia Spa		**100.0**	F		100.0	F
JAPAN*						
FremantleMedia Japan KK	(14)	**–**	NC		100.0	F
LUXEMBOURG*						
Duchy Digital SA		**99.7**	F		99.7	F
FremantleMedia SA		**100.0**	F		100.0	F
MEXICO*						
Grundy Productions SA de CV		**100.0**	F		100.0	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
NETHERLANDS*						
Benelux film Investments BV		**49.8**	P		49.8	P
Blue Circle BV		**100.0**	F		100.0	F
Four One Media BV		**100.0**	F		100.0	F
FremantleMedia Operations BV	(10)	**100.0**	F	(10)	100.0	F
FremantleMedia Overseas Holdings BV		**100.0**	F		100.0	F
Grundy Endemol Productions VOF		**50.0**	P		50.0	P
Grundy International Holdings (I) BV		**100.0**	F		100.0	F
RTL Nederland Film Venture BV		**99.7**	F		99.7	F
RTL Nederland Producties BV		**99.7**	F		99.7	F
POLAND*						
FremantleMedia Polska Sp.Zo.o.		**100.0**	F		100.0	F
PORTUGAL*						
FremantleMedia Portugal SA		**100.0**	F		100.0	F
RUSSIAN FEDERATION*						
Fremantle Productions LLC		**100.0**	F		100.0	F
SINGAPORE*						
Fremantle Productions Asia Pte Ltd		**100.0**	F		100.0	F
UFA Sports Asia Pte Ltd		**75.1**	F		75.1	F
SLOVAKIA*						
UFA Slovakia s.r.o		**65.8**	F		65.8	F
SPAIN*						
Fremantle de Espana SL	(8)	**95.0**	F	(8)	95.0	F
La Competencia Producciones SA		**100.0**	F		100.0	F
SWEDEN*						
FremantleMedia Sverige AB		**100.0**	F		100.0	F
SWITZERLAND*						
Grundy Schweiz AG		**65.0**	F		65.0	F
TURKEY*						
FremantleMedia TV Film Yapim	(14)	**–**	NC		100.0	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
UK*						
Arbie Production Ltd	(18)	**100.0**	F		100.0	F
Fremantle (UK) Productions Ltd	(18)	**100.0**	F		100.0	F
FremantleMedia Ltd	(18)	**100.0**	F		100.0	F
FremantleMedia Group Ltd	(18)	**100.0**	F		100.0	F
FremantleMedia Overseas Ltd	(18)	**100.0**	F		100.0	F
FremantleMedia Services Ltd	(18)	**100.0**	F		100.0	F
RTL Group Support Services Ltd		**100.0**	F		100.0	F
Select TV Ltd		**100.0**	F		100.0	F
Talkback (UK) Productions Ltd		**100.0**	F		100.0	F
Talkback Productions Ltd	(12)	**100.0**	F	(12)	100.0	F
Talkback Thames Ltd	(12)	**100.0**	F	(12)	100.0	F
Thames Television Holdings Ltd	(18)	**100.0**	F		100.0	F
Thames Television Ltd		**100.0**	F		100.0	F
USA*						
All American Music Group	(9)	**100.0**	F	(9)	100.0	F
Allied Communications Inc		**100.0**	F		100.0	F
Amygdala LLC	(16)	**100.0**	F	(16)	100.0	F
Fremantle Goodson Inc	(9)	**100.0**	F	(9)	100.0	F
Fremantle Productions Inc	(9)	**100.0**	F	(9)	100.0	F
Fremantle Productions Latin America Inc		**100.0**	F		100.0	F
Fremantle Productions Music Inc	(9)	**100.0**	F	(9)	100.0	F
Fremantle Productions North America Inc	(9)	**100.0**	F	(9)	100.0	F
FremantleMedia Licensing Inc	(8)	**100.0**	F	(8)	100.0	F
FremantleMedia North America Inc	(9)	**100.0**	F	(9)	100.0	F
Good Games Live Inc	(9)	**100.0**	F	(9)	100.0	F
LBS Communications Inc	(9)	**100.0**	F	(9)	100.0	F
Leroy & Morton Productions LLC	(17)	**100.0**	F	(17)	100.0	F
Max Post LLC	(16)	**100.0**	F	(16)	100.0	F
Media Pie LLC	(17)	**100.0**	F	(17)	100.0	F
Music Box Library Inc	(9)	**100.0**	F	(9)	100.0	F
Neville LLC	(16)	**100.0**	F	(16)	100.0	F
O'Merch LLC	(16)	**100.0**	F	(16)	100.0	F
Op Services LLC	(16)	**100.0**	F	(16)	100.0	F
Original Fremantle LLC	(16)	**100.0**	F	(16)	100.0	F
Original Prod'ions LLC	(16)	**100.0**	F	(16)	100.0	F
Outpost Digital LLC	(17)	**100.0**	F	(17)	100.0	F
Radical Media LLC	(17)	**100.0**	F	(17)	100.0	F
Reg Grundy Productions Holdings Inc	(9)	**100.0**	F	(9)	100.0	F
Studio Production Services Inc	(9)	**100.0**	F	(9)	100.0	F
The Baywatch Productions Company	(9)	**100.0**	F	(9)	100.0	F
Thumbdance LLC		**100.0**	F		100.0	F

BROADCASTING RADIO

	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
BELGIUM*						
Cobelfra SA		**44.1**	F		44.1	F
Contact Vlaanderen NV		**42.1**	P		42.1	P
Inadi SA		**44.1**	F		44.1	F
IP Plurimédia SA		**65.8**	F		65.8	F
Joker FM SA	(13)	**–**	NC		44.1	F
New Contact SA		**49.8**	P		49.8	P
Radio Belgium Holding SA		**44.1**	F		44.1	F
FRANCE*						
Ediradio SA		**99.7**	F		99.7	F
ID (Information et Diffusion) Sàrl		**99.7**	F		99.7	F
IP France SA		**99.7**	F		99.7	F
IP Régions SA		**99.7**	F		99.7	F
RTL Fun Développement Sàrl		**99.7**	F		99.7	F
RTL Net SAS		**99.7**	F		99.7	F
SCP Sàrl		**99.7**	F		99.7	F
SERC SA		**99.7**	F		99.7	F
Sodera SA		**99.7**	F		99.7	F
GERMANY*						
Antenne Niedersachsen GmbH & Co. KG		**57.4**	F		49.7	F
AVE Gesellschaft für Hörfunkbeteiligungen GmbH		**99.7**	F		99.7	F
AVE I Vermögensverwaltungsgesellschaft mbH & Co. KG		**49.7**	E		49.7	E
AVE II Vermögensverwaltungsgesellschaft mbH & Co. KG		**99.7**	F		99.7	F
AVE V Vermögensverwaltungsgesellschaft mbH		**99.7**	F		99.7	F
AVE VI Vermögensverwaltungsgesellschaft mbH & Co. KG		**49.7**	E		49.7	E
BCS Broadcast Sachsen GmbH & Co. KG		**47.2**	E		47.2	E
Funkhaus Halle GmbH & Co. KG		**61.2**	F		57.0	F
HITRADIO RTL Sachsen GmbH		**85.8**	F		85.8	F
Madsack Hörfunk GmbH		**99.7**	F		–	NC
Mediengesellschaft Mittelstand Niedersachsen GmbH		**23.0**	E		–	NC
Neue Spreeradio Hörfunkgesellschaft mbH		**99.7**	F		99.7	F
Radio Center Berlin GmbH		**99.7**	F		99.7	F
Radio Hamburg GmbH & Co. KG		**29.1**	E		29.1	E
RTL Radio Berlin GmbH		**99.7**	F		99.7	F
RTL Radio Deutschland GmbH		**99.7**	F		99.7	F
RTL Radiovermarktung GmbH & Co. KG		**99.7**	F		99.7	F
Rundfunk Beteiligungs- und Betriebsgesellschaft Blauen mbH		**43.0**	E		43.0	E
UFA Radio-Programmgesellschaft in Bayern mbH		**99.7**	F		99.7	F
LUXEMBOURG*						
Luxradio Sàrl		**74.8**	F		–	NC
NETHERLANDS*						
RTL FM BV		**99.7**	F		99.7	F

OTHERS

	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
AUSTRIA*						
RTL Group Austria GmbH		**99.7**	F		99.7	F
BELGIUM*						
Audiomedia Investments Bruxelles SA		**100.0**	F		100.0	F
FRANCE*						
IP Network SA		**99.7**	F		99.7	F
Société Immobilière Bayard d'Antin SA		**99.7**	F		99.7	F
GERMANY*						
Apareo Deutschland GmbH		**74.8**	F		–	NC
Apareo Holding GmbH		**74.8**	F		–	NC
Kos Beteiligungs- und Verwaltungsgesellschaft mbH		**99.7**	F		99.7	F
RTL Group Central & Eastern Europe GmbH		**99.7**	F		99.7	F
RTL Group Deutschland GmbH		**99.7**	F		99.7	F
RTL Group Vermögensverwaltungs GmbH		**100.0**	F		100.0	F
UFA Film und Fernseh GmbH		**99.7**	F		99.7	F
LUXEMBOURG*						
B. & C.E. SA		**99.7**	F		99.7	F
CLT-UFA SA		**99.7**	F		99.7	F
IP Luxembourg Sàrl		**99.7**	F		99.7	F
IP Network International SA		**99.7**	F		99.7	F
Messino SA	(14)	**–**	NC	(***)	–	F
Media properties Sàrl		**99.7**	F		99.7	F
RTL Group Central & Eastern Europe SA		**99.7**	F		99.7	F
RTL Group Germany SA		**99.7**	F		99.7	F

(***) Consolidated as a Special Purpose Vehicle (SPV)

	NOTE	GROUP'S OWNERSHIP 2012 (****)	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2011 (****)	CONSOLIDATED METHOD (1)
NETHERLANDS*						
Buienradar BV		**99.7**	F		99.7	F
RTL Group Beheer BV		**100.0**	F		100.0	F
Videostrip BV		**99.7**	F		–	NC
UK*						
CLT-UFA UK Radio Ltd		**99.7**	F		99.7	F
CLT-UFA UK Television Ltd		**99.7**	F		99.7	F

** Country of incorporation*

(1) M: parent company
F: full consolidation
P: proportionate consolidation
E: equity accounting
NC: not consolidated
(2) Groupe M6 ("de facto" control)
(3) UFA Berlin Group
(4) Trebitsch Group
(5) M-RTL Group
(6) Grupo Antena 3
(7) Phönix Group
(8) Fremantle Licensing Group
(9) FremantleMedia North America Group
(10) FremantleMedia Productions Netherlands Group
(11) Grundy Organisation (Holdings) Group
(12) Talkback Productions Group
(13) Company absorbed by a company of the Group
(14) Company sold or liquidated
(15) Alpha Media Group
(16) Original Productions
(17) Radical Media
(18) Company has elected to make use of the audit exemption in accordance with sections 479-C of UK Companies Act 2006. Other companies which have elected the exemption are not reported in the list above (1939 Ltd, Fremantle Group Pension Trustee Ltd and Screenpop Ltd)
(****) The Group's ownership is based on the total number of shares after deduction of treasury shares held by the company as per 31 December

AUDITORS' REPORT

PricewaterhouseCoopers, Société coopérative,
400, route d'Esch
B.P. 1443
L–1014 Luxembourg
T: +352 494848 1
F:+352 494848 2900
www.pwc.lu

Cabinet de révision agréé
Expert-comptable
(autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477
TVA LU25482518

TO THE SHAREHOLDERS OF RTL GROUP S.A.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of RTL Group S.A. and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 144 to 209.

BOARD OF DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ"

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements set out on pages 144 to 209 give a true and fair view of the consolidated financial position of the Group as of 31 December 2012, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated Director's report, including the corporate governance statement, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the law with respect to the Corporate Governance Statement.

Luxembourg, 24 February 2013

PricewaterhouseCoopers, Société coopérative

Represented by

Pascal Rakovsky *Marc Minet*

The largest European free-to-air broadcaster – and a global content powerhouse

RTL GROUP

THE LEADING EUROPEAN ENTERTAINMENT NETWORK

With 53 television channels and 28 radio stations in ten countries, RTL Group is the leading European entertainment network. The Luxembourg-based company has interests in TV channels and radio stations in Germany, France, Belgium, the Netherlands, Luxembourg, Spain, Hungary, Croatia, and India. It is one of the world's leading producers of television content, such as talent and game shows, drama, daily soaps and telenovelas, including *Idols*, *Got Talent*, *The X Factor*, *Good Times – Bad Times* and *Family Feud*.

The roots of the company date back to 1924, when Radio Luxembourg first went on air. Compagnie Luxembourgeoise de Radiodiffusion (CLR) was founded in 1931. As a European pioneer, the company broadcast a unique programme in several languages using the same frequency.

RTL Group itself was created in spring 2000 following the merger of Luxembourg-based CLT-UFA and the British content production company Pearson TV, owned by UK media group Pearson PLC. CLT-UFA itself was created in 1997 when the shareholders of UFA (Bertelsmann) and the historic Compagnie Luxembourgeoise de Télédiffusion – CLT (Audiofina) merged their TV, radio and TV production businesses.

Bertelsmann has been the majority shareholder of RTL Group since July 2001. The shares of RTL Group are publicly traded on the Brussels and Luxembourg stock exchanges.

TELEVISION

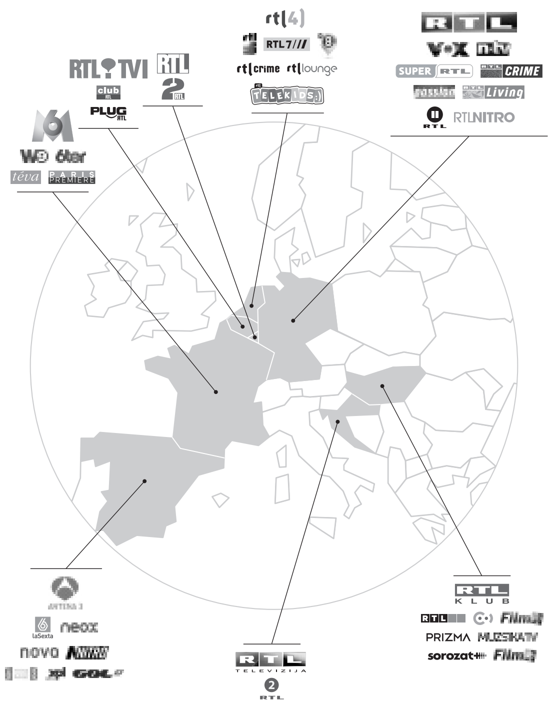
Each day, millions of viewers all over Europe watch RTL Group's television channels, which include the families of channels clustered around the flagships RTL Television in Germany, M6 in France, RTL 4 in the Netherlands and RTL-TVI in Belgium. The company also has broadcasting operations in Hungary (RTL Klub, RTL II plus six cable channels), Croatia (RTL Televizija, RTL 2) and has interests in Grupo Antena 3 in Spain and National Media Group in Russia. In November 2012, RTL Group launched its first TV channel outside of Europe, Big RTL Thrill in India.

CONTENT

RTL Group's content production arm, FremantleMedia, is one of the largest international producers outside the US. Each year it produces over 9,100 hours of award-winning prime time programming across 62 countries. RTL Group is also one of the world's leading independent distributors outside the US, selling rights to more than 20,000 hours of programming in 150 countries worldwide.

RADIO

RTL Group's radio stations reach millions of listeners each day. The company's flagship radio station is RTL in France, and it also owns or has interests in stations in Germany (104.6 RTL, Antenne Bayern), Belgium (Bel RTL, Radio Contact), Spain (Onda Cero, Europa FM) and Luxembourg (RTL Radio Lëtzebuerg, Eldoradio).



In 1924, a sole radio transmitter broadcast from Luxembourg. Today, RTL Group has a portfolio of 53 TV channels in ten countries. RTL Group's worldwide production arm – which adopted the company name FremantleMedia in 2001 – grew its revenues by 128 per cent to € 1.7 billion since its inception.

Company overview:
Best-in-class European entertainment company

BROADCAST	Strong #1 or #2 in attractive key countries
CONTENT	Global leader in TV entertainment production, exploitation and distribution
DIGITAL	At the forefront of the digital and non-linear transition
TEAM	Highly experienced international management team with an integrated approach
RESULTS (€)	Strong track record of delivering financial results

CREDITS

PUBLISHER

RTL Group
45, Bd Pierre Frieden
L–1543 Luxembourg
Luxembourg

EDITOR

RTL Group
Corporate Communications and Marketing

Copywriters: Richard Owsley, Writers Ltd, Bristol

Copy editing and proofreading:
Sarah Townsend Editorial, Gloucester

DESIGN, CONCEPT CONSULTING

Ringzwei, Hamburg

PRODUCTION

Ringzwei, Hamburg
Produktionsbüro Romey von Malottky GmbH, Hamburg
Die Bildproduktion, Hamburg

PRINT

Eurodruck in der Printarena, Hamburg

MIX
Papier aus verantwortungsvollen Quellen
FSC® C002722
FSC www.fsc.org

PHOTOGRAPHY

Cover	RTL Television/Guido Engels, ANP/Action Press
4	RTL Television/Guido Engels
6	Bertelsmann
8–9	RTL Group/Dominik Gigler (2)
13	RTL Group/Dominik Gigler
18–19	Getty Images
20–21	RTL Television
22–23	RTL Klub, RTL Belgium, Pascalito/6ter (4)
24–25	Régine Mahaux pour *Paris Match*/Groupe M6
26–27	Régine Mahaux pour *Paris Match*/Groupe M6, M6/Sylvie Lancrenon
28–29	I-Stockphoto, Big RTL, RTL Nitro
30–31	William Rutten, RTL Nederland (4, Collage), RTL Radio (France)
32–33	RTL Radio (France)/Elodie Grégoire
36	Photoshot
37	Redbull/Handout/Redbull Content Pool/Corbis
38–39	Photo by Fox via Getty Images
40–41	Photos by Fox via Getty Images (3)
42–43	Fox/Michael Becker
44–45	Mathew Imaging, Jose Irun
46–47	Getty Images/AFP/Franck Fife
48–49	Muhsin Akgun (2), Abaca Press/W9
50–51	Kevin Mazur/WireImage/Getty Images
52–53	Groupe M6/Cécile Rogue, FremantleMedia, Vox/Anne Wilk
54–55	ABC/Kharen Hill
56–57	Getty Images/AFP/Jewel Samad, Nick van Ormondt, Roland J. Reinders, RTL Lëtzebuerg/Eric Steichen
58–59	Pierre Pironet, RTL Belgium/Olivier Picard (2)
62–63	Hit-Radio Antenne, RTL Television, RTL Radio Deutschland (2), RTL Nederland (3)
64–65	RTL Television/Stefan Gregorowius (2), Super RTL, RTL Television/Gordon Mühle, Vox, RTL Television
66–67	M6 Replay, Groupe M6 (2)
68–69	FremantleMedia (2), I-Stockphoto (2)
70–71	RTL II (6), RTL Nederland, I-Stockphoto (3)
72–73	ANP/Action Press
74–75	People Picture, RTL Klub, RTL Radio (France)/Anne Le Hénaff, Getty Images, NDR, Jesse van Kalmthout, AAPimages, Stefan Menne, Werner Schüring/*Wirtschaftswoche*, RTL Television
76–77	RTL Television/Stefan Gregorowius, RTL Klub, RTL Lëtzebuerg, RTL-TVI, RTL Radio (France), RTL Television, RTL Group, Groupe M6/Cyril Plotnikoff
78–79	RTL Lëtzebuerg (2), Grupo Antena 3, RTL Television (3), Super RTL, RTL Group, RTL-TVI
80–81	RTL Television (2), Groupe M6, RTL Radio Deutschland (2), RTL Televizija, Baganz, RTL Nederland, RTL Group
82–83	RTL Television/Andreas Friese, Julien Cresp, FremantleMedia, RTL Television/Tobias Käufer, RTL Group (2), RTL Television/Stefan Gregorowius, Hit-Radio Antenne
84–85	RTL Lëtzebuerg, Groupe M6, M6/Cyril Plotnikoff, RTL Nederland, RTL Television, RTL Belgium, RTL II, FremantleMedia, RTL Radio (France)
86–87	FremantleMedia, RTL Television/Oliver Rath, Groupe M6, RTL-TVI, Hit-Radio Antenne, RTL Group
88–89	Disney-ABC International Television. All rights reserved, RTL Group, RTL Televizija, FremantleMedia, RTL Klub, RTL Television
90–91	Julia Pfaller, I Media, RTL Group, Radio Hamburg, RTL Television/Guido Engels (2), RTL-TVI
94	RTL Group/Dominik Gigler (13)

FURTHER INFORMATION

FOR JOURNALISTS
Corporate Communications
Phone: +352 2486 5201

FOR ANALYSTS AND INVESTORS
Investor Relations
Phone: +352 2486 5074

RTLGroup.com

FIVE-YEAR SUMMARY

	2012 €m	2011 €m	2010* €m	2009** €m	2008 €m
Revenue	5,998	5,765	5,532	5,156	5,774
– of which net advertising sales	3,397	3,459	3,362	3,062	3,656
Other operating income	45	40	51	43	37
Consumption of current programme rights	(2,015)	(1,791)	(1,711)	(1,673)	(2,095)
Depreciation, amortisation and impairment	(187)	(178)	(192)	(179)	(161)
Other operating expenses	(2,790)	(2,746)	(2,591)	(2,577)	(2,685)
Impairment of goodwill and fair value adjustments and amortisation of fair value adjustments on acquisitions of subsidiaries and joint ventures	(10)	(13)	(10)	(88)	(395)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(9)	107	(7)	–	(9)
Profit from operating activities	1,032	1,184	1,072	682	466
Share of results of associates	(53)	38	40	25	34
Earnings before interest and taxes (“EBIT”)	979	1,222	1,112	707	500
Net interest income/(expense)	(10)	(2)	12	4	21
Financial results other than interest	(1)	(27)	4	23	7
Profit before taxes	968	1,193	1,128	734	528
Income tax expense	(277)	(302)	(263)	(234)	(232)
Profit for the year from continuing operations	691	891	865	500	296
Loss from discontinued operations	(1)	(96)	(135)	(202)	–
Profit for the year	690	795	730	298	296
Attributable to:					
RTL Group shareholders	597	696	611	205	194
Non-controlling interests	93	99	119	93	102
Profit for the year	690	795	730	298	296
EBITA	1,078	1,134	1,132	796	916
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	(10)	(13)	(10)	(88)	(395)
Impairment of investments in associates	(82)	(6)	(3)	(1)	(12)
Re-measurement of earn-out arrangements	2	–	–	–	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(9)	107	(7)	–	(9)
Earnings before interest and taxes (“EBIT”)	979	1,222	1,112	707	500
Basic earnings per share (in €)	3.88	4.53	3.98	1.33	1.26
Ordinary dividend per share (in €)	5.10***	5.10	5.00	3.50	1.40
Extraordinary dividend per share (in €)	5.40***	–	–	–	2.10
Dividends paid (€ million)	1,623	789	773	541	541
Average number of full-time equivalent employees	9,590	9,621	9,286	9,608	9,191
Net assets (€ million)	4,858	5,093	5,597	5,530	5,871
Net cash (€ million)	1,051	1,238	1,456	789	876

**Re-presented following the application of IFRS 5 to Alpha Media Group (discontinued operations)*
***Re-presented following the application of IFRS 5 to Five (discontinued operations)*
****Interim dividend*

FULLY CONSOLIDATED PROFIT CENTRES AT A GLANCE

MEDIENGRUPPE RTL DEUTSCHLAND

	2012 €m	2011 €m	2010 €m	2009 €m	2008 €m
Revenue	**1,982**	1,912	1,892	1,732	2,020
EBITA	**581**	529	551	366	414

GROUPE M6

	2012 €m	2011 €m	2010 €m	2009 €m	2008 €m
Revenue	**1,387**	1,421	1,459	1,377	1,354
EBITA	**224**	249	245	195	196

FREMANTLEMEDIA

	2012 €m	2011 €m	2010 €m	2009 €m	2008 €m
Revenue	**1,711**	1,429	1,272	1,183	1,203
EBITA	**138**	143	140	155	155

RTL NEDERLAND

	2012 €m	2011 €m	2010 €m	2009 €m	2008 €m
Revenue	**431**	491	429	371	436
EBITA	**97**	134	110	72	70

RTL BELGIUM

	2012 €m	2011 €m	2010 €m	2009 €m	2008 €m
Revenue	**210**	216	219	203	216
EBITA	**45**	46	45	36	39

RTL RADIO (FRANCE)

	2012 €m	2011 €m	2010 €m	2009 €m	2008 €m
Revenue	**180**	184	182	174	189
EBITA	**30**	30	24	15	32

RTL KLUB

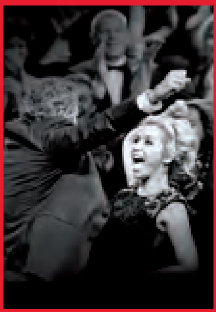
	2012 €m	2011 €m	2010 €m	2009* €m	2008 €m
Revenue	**101**	99	105	83	–
EBITA	**9**	15	19	18	10**

** RTL Klub has been fully consolidated from April 2009 ** Group contribution*

RTL HRVATSKA

	2012 €m	2011 €m	2010 €m	2009 €m	2008 €m
Revenue	**31**	37	38	41	50
EBITA	**(9)**	0	(3)	(3)	2

RTL Group
Corporate Communications
45, boulevard Pierre Frieden
L-1543 Luxembourg
T: +352 2486 5201
F: +352 2486 5139
RTLGroup.com



Outburst of joy
Erland Galjaard, Director of Programming at RTL Nederland and presenter Wendy van Dijk celebrate at the 'Televizier Awards' – the Dutch TV industry's most prestigious honours. RTL 4's *The Voice Of Holland* won the '2012 Gouden Televizier-Ring' for Best TV Programme

Popularity and trust
In 2012, Peter Kloeppel celebrated 20 years of presenting *RTL Aktuell*. He is the longest-serving anchorman on German TV – and one of the public figures Germans trust the most