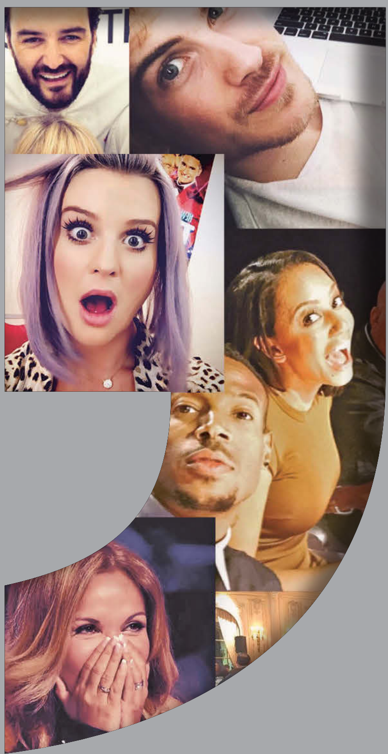
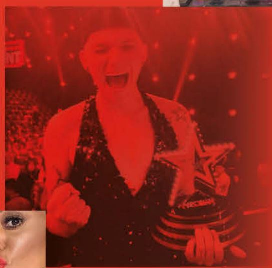
Annual Report 2015
Entertain. Inform. Engage.





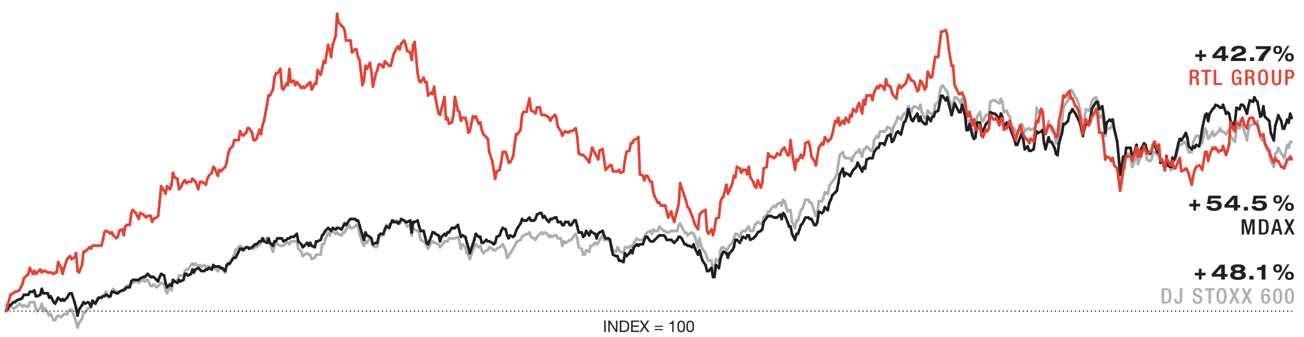




STYLE
HAUL

Key figures

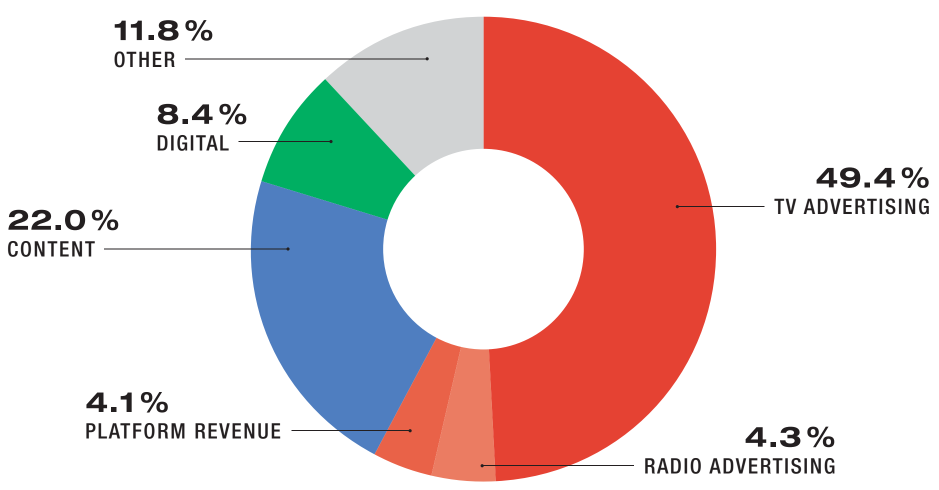
SHARE PRICE PERFORMANCE
30/04/2013 – 31/12/2015*



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

RTL GROUP REVENUE SPLIT

In 2015, TV advertising accounted for 49.4 per cent of RTL Group's total revenue, making the Group one of the most diversified groups when it comes to revenue. Content represented 22 per cent of the total, while greater exposure to fast-growing digital revenue streams and higher margin platform revenue will further improve the mix.



REVENUE

	2011–2015 (€ million)
15	**6,029**
14	5,808
13	5,824*
12	5,998
11	5,765

*Restated for IFRS 11

EBITA

	2011–2015 (€ million)
15	**1,167**
14	1,144*
13	1,148**
12	1,078
11	1,134

*Restated for changes in purchase price allocation
**Restated for IFRS 11

NET PROFIT ATTRIBUTABLE TO RTL GROUP SHAREHOLDERS

	2011–2015 (€ million)
15	**789**
14	652*
13	870
12	597
11	696

*Restated for changes in purchase price allocation

EQUITY

	2011–2015 (€ million)
15	**3,409**
14	3,275*
13	3,593
12	4,858
11	5,093

*Restated for changes in purchase price allocation

MARKET CAPITALISATION*

	2011–2015 (€ billion)
15	**11.9**
14	12.2
13	14.4
12	11.7
11	11.9

*As of 31 December

TOTAL DIVIDEND/ DIVIDEND YIELD PER SHARE

	2011–2015 (€)	(%)
15	**4.00***	**4.9**
14	5.50**	6.8
13	7.00***	10.0
12	10.50	13.9
11	5.10	6.6

*Including an extraordinary interim dividend of €1.00 per share, paid in September 2015
**Including an extraordinary interim dividend of €2.00 per share, paid in September 2014
***Including an extraordinary interim dividend of €2.50 per share, paid in September 2013

CASH CONVERSION RATE*

	2011–2015 (%)
15	**87**
14	95
13	106
12	101
11	104

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

PLATFORM REVENUE*

	2011–2015 (€ million)
15	**248**
14	225**
13	185
12	175
11	128

*Revenue generated across all distribution platforms (cable, satellite, IPTV) including subscription and re-transmission fees
**Restated

DIGITAL REVENUE*

	2012–2015 (€ million)
15	**508**
14	295
13	233
12	188

*Excluding e-commerce, home shopping and platform revenue for digital TV

ONLINE VIDEO VIEWS

	2011–2015 (billion)
15	**105.0**
14	36.4
13	16.8
12	6.9
11	1.9

Contents

SCAN THE QR CODES...

...and watch the RTL Group Annual Report 2015 spring into action on your mobile device.

Snap this code now to watch the first video!

Corporate information

Financial information

Focusing on growth in a changing world

"2015 was a record year for RTL Group: for the first time in our history, revenue exceeded €6 billion."

GUILLAUME DE POSCH
Co-Chief Executive Officer

"We are confident our digital businesses will reach such scale over the next 24 months that they become one of the growth drivers of RTL Group's total revenue," said RTL Group's Co-CEOs at the 2014 results presentation. This followed major investments in online video companies BroadbandTV, StyleHaul and SpotX. Picking up on this, we talked to **Anke Schäferkordt** and **Guillaume de Posch** about RTL Group's growth in 2015, about fostering closer collaboration across its business units and, above all, how RTL Group is responding to the rapid changes across the whole 'total video' value chain.

"With more than €500 million in revenue, digital has become a dynamic third pillar for RTL Group."

ANKE SCHÄFERKORDT
Co-Chief Executive Officer

"For us, TV isn't just 'television' any more, it means 'total video'."

ANKE SCHÄFERKORDT

RTL Group @rtlgroup · 11 Nov 15
RTL Group Co-CEO Anke Schäferkordt talking #digitalisation at #OWM 2015 in Berlin.

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On 11 November 2015, RTL Group Co-CEO Anke Schäferkordt was invited to speak at the OWM symposium in Berlin where advertisers and marketing executives talked about the topic "Winning in the Digital Reality". Picture: Anke Schäferkordt with host Wolfram Kons.

How did RTL Group perform in 2015?

GUILLAUME DE POSCH: Despite a mixed picture in the global economy, 2015 was a record year for RTL Group: for the first time in our history, revenue exceeded €6 billion. Operating profit EBITA also reached a new high, despite lower positive one-off effects than 2014. Net profit for RTL Group shareholders increased strongly by 21.0 per cent to €789 million.

ANKE SCHÄFERKORDT: All European net TV advertising markets in RTL Group's territories were up or stable year-on-year, with the German market remaining the healthiest in our portfolio. At Mediengruppe RTL Deutschland, we outperformed the German TV advertising market, which was estimated to have grown by 2.0 to 3.0 per cent in 2015. We also generated higher diversification revenue such as online couponing and platform revenue. As a result, our biggest profit centre grew significantly and generated another record profit.

Did digital grow as forecast?

ANKE SCHÄFERKORDT: With more than €500 million in revenue, digital has become a dynamic third pillar for RTL Group, complementing our market-leading broadcasting and content production businesses. Digital revenue now represents 8.4 per cent of RTL Group's total revenue. The massive growth rate of 72.2 per cent for our digital revenue reflects our early investments in online video.

According to Comscore, RTL Group is now number one on YouTube worldwide, with strong positions in the US, Europe and Germany. We generate around 11 billion video views each month, including mobile. We are the strongest and most international online video operator of all the broadcast groups in the US or Europe.

Organically, the revenue growth rates for our multi-channel network businesses BroadbandTV, StyleHaul and Divimove – and for our monetisation platform SpotX – are 50 per cent or more. And they will continue to grow, at significant double-digit rates.

GUILLAUME DE POSCH: We need to invest in these businesses to further strengthen their strong market positions. Some of them will continue to generate short-term start-up losses. The fact that we achieved faster revenue growth while keeping our high profit margin at Group level underlines the tremendous strength of our core broadcasting business. In other words: RTL Group is on the growth track. Driven by our digital businesses, we expect our total revenue to continue growing moderately in 2016.

What is the proposed dividend for 2015?

GUILLAUME DE POSCH: In September 2015, we paid an extraordinary interim dividend of €1.00 per share as an advance for the fiscal year 2015. In addition, RTL Group's Board of Directors has proposed a final dividend of €3.00 a share for the fiscal year 2015. As in previous years, this reflects the Group's strong cash flows, investment plans and target leverage factor. Based on our average share price on the Frankfurt Stock Exchange in 2015, all dividends for the fiscal year – totalling €4.00 a share – represent a dividend yield of 4.9 per cent. This is, again, among the most attractive in Europe.

In August 2015, at the half-year results, you mentioned rapidly evolving total video market. What do you mean by ‘total video’?

ANKE SCHÄFERKORDT: Linear TV still dominates the video market – it’s the only medium consistently reaching mass audiences daily. But people watch more video content than ever – in long and short-form, linear and non-linear, on the TV screen and on mobile devices. The demand for high-quality video content is growing rapidly, as is online video advertising. So for us, TV isn’t just ‘television’ any more, it means ‘total video’. This is important as many people still think of the TV set in the living room – rather than the wider TV industry.

Where do you see the significant changes in the value chain?

ANKE SCHÄFERKORDT: From the production of content to its aggregation on TV channels, multi-channel networks or thematic verticals, and from its technical distribution to advertising sales: the digital transformation is blurring the borders between the individual stages of value creation. Media agencies invest in production companies, US studios run European TV channels, producers and channels expand into digital, especially non-linear services, and platforms such as cable operators or telcos invest in their own content and advertising capability. There’s also extensive consolidation and integration at all stages of value creation, making competition ever fiercer.

GUILLAUME DE POSCH: As a leading video content provider this presents us with many new opportunities, but it also means we must set clear priorities. Therefore we have set two main investment goals for further acquisitions and partnerships. The first is to further develop in the digital domain. The second is to produce our content and owning rights, because we’re certain this will be key to growth.

Looking at the first stage of the value chain, what are the challenges for RTL Group’s content arm, FremantleMedia?

GUILLAUME DE POSCH: Increasing creative diversity – both organically and through acquisition – is FremantleMedia’s top priority. As they are already one of the biggest independent production companies, they focus on creative talent, developing projects that will feed into their unrivalled international network. Compared to bigger acquisitions, this is a long-term play, as development takes time. In the last three years, FremantleMedia made several acquisitions that illustrate this strategy, including scripted companies Miso in Scandinavia, Corona in the UK, Wildside in Italy, as well as Fontaram and Kwaï in France.

Wildside, for example, specialises in scripted television drama and commercial feature films. Their output includes *The Young Pope* – their first international production – with partners including HBO, Sky and Canal Plus. The series stars Jude Law and Diane Keaton, with Oscar winner Paolo Sorrentino working as co-writer and director.

On 20 January 2015, Bertelsmann organised the ‘Let’s Go Connected’ forum in Brussels to exchange views on challenges ahead in the digital realm.

RTL Group @rtlgroup · 20 Jan 15
Guillaume de Posch, Co-CEO of RTL Group, at the ‘Let’s Go Connected’ forum by @Bertelsmann_com

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“The RTL Digital Hub team manages our portfolio of digital acquisitions and supports their further international expansion.”

GUILLAUME DE POSCH

> "Increasing competition in the digital world calls for closer co-operation across RTL Group, to give our global advertising clients the best service."
>
> **GUILLAUME DE POSCH**

FremantleMedia has also re-invigorated its own heritage in scripted drama. The German series *Deutschland 83* has had great success internationally. It was the first German language drama aired, to critical acclaim, in its original language in the US. It has now been sold to 20 channels and platforms, including Channel 4 in the UK, Canal Plus in France and Hulu. We also have hopes for the new FremantleMedia-produced drama, *American Gods,* for which 10 episodes have been commissioned by US premium cable channel Starz. The drama genre has great potential in distribution, brand partnerships, licensing, merchandising and digital.

Turning to the content aggregators – linear TV channels and the new digital multi-channel networks. What are your priorities here?
ANKE SCHÄFERKORDT: It's becoming more difficult to generate blockbuster formats for mass audiences. But with fewer of these on the market, they become more valuable. Our broadcasters can't just wait for the next big international hit. We have to develop our own formats because they strengthen the channel brand and, most importantly, command exclusivity in the marketplace. That's the major driver of future success for all linear TV channels: to have a clear profile – something that makes them stand out. For example, Vox commissioned its first scripted series, *Club der roten Bänder.* With its emotional stories and outstanding young cast, the series has been the stand-out hit in Germany so far in the TV season 2015/16, and was named best series by the German TV Awards.

On 23 July 2015 at the world's largest online video conference, VidCon, RTL Group Co-CEO Guillaume de Posch explained RTL Group's push into online video.

RTL Group @rtlgroup · 23 July 15
RTL Group Co-CEO Guillaume de Posch with @YouTube CEO Susan Wojcicki during @VidCon in LA.

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Our two main channels in Germany, RTL Television and Vox, already had a high proportion of local content but now this is shifting towards 90 per cent on RTL Television. I have no doubt this will bring us a huge competitive advantage in the coming years.

GUILLAUME DE POSCH: As for digital, what audience flow is to linear TV, user guidance, recommendation engines and thumbnail optimisation are to MCNs. Reaching large numbers of users online hinges on finding technical ways of aggregating numerous small audiences – particularly of 'millennials', a group advertisers are most keen to reach. If you want to understand how enthusiastic teenagers are about video content and vloggers, attend VidCon in Los Angeles. I saw it first-hand. For me, it was a call to continue our push into short-form video.

The younger the target group, the more they use mobile devices, and the higher demand for short-form video. To succeed as a video content company, we have to serve this audience well. This is why we invested in leading multi-channel networks such as BroadbandTV, StyleHaul and Divimove.

What about monetisation of digital video?
ANKE SCHÄFERKORDT: Here again, technology has become essential. Advertising sales in the digital market are far more fragmented and complicated, with many highly specialised intermediaries between advertising clients and content providers.

Traditional sales will remain a people business, but digital advertising sales will become more automated, and advertising technology more consolidated. Media agencies and sales houses are investing in platforms, interfaces and tools that advertising customers can use to plan and place bookings directly.

With SpotX, we own one of the most innovative video monetisation platforms – a team of more than 150 talented engineers continue to improve the platform, adding new features such as cross-screen audience measurement. We have also invested in Clypd, a US-based start-up for programmatic advertising sales on linear TV. We see great potential in the collaboration of SpotX and Clypd, in the US and Europe.

GUILLAUME DE POSCH: Increasing competition in the digital world calls for closer co-operation across RTL Group, to give our global advertising clients the best service. With its international presence, IP Network is ideally positioned to explore these growth opportunities for us. The new management of IP Network has a clear mission – to use all the RTL Group's assets to offer a global proposition for international advertisers in the fields of video and digital marketing, branded content, and, of course, traditional TV and radio sales. Just recently, IP Network integrated our fashion and beauty MCN StyleHaul into its multiscreen offer.

RTL Group introduced their new digital family at the Dmexco trade fair in Cologne on 17 September 2015.

Talking about co-operation in the Group, what is the role of the new RTL Digital Hub?

GUILLAUME DE POSCH: Where online video is concerned, I think scale is vital. Scale is easier to attain internationally, especially in North America because the market is much larger and more advanced in technology and viewing behaviour. Therefore we made North America the focus of our investments in online video and advertising technology, to then roll out internationally based on our experiences there. The RTL Digital Hub team manages our portfolio of digital acquisitions and supports their further international expansion. It also develops external partnerships and synergies within RTL Group. The creation of the RTL Digital Hub underlines our strategic goal to further build a strong third pillar.

How do you measure – and ultimately monetise – mobile, second-screen and other alternative viewing habits?

ANKE SCHÄFERKORDT: This is a really important topic. Although there is more data available about use and viewing behaviour, audience measurement does not yet match the pace of changing viewing patterns. As a result, the total net reach of a video advertising campaign is still hard to quantify across all screens. In other words: audience shares do not reflect the full reality anymore.

We find ourselves faced with fragmented markets in ageing societies where young target groups are increasingly consuming non-linear video. So we ought to measure our success in comparison with all of our competitors – meaning all companies offering video content. This is why we promote and support cross-screen measurement initiatives.

Is this a glimpse of your future?

ANKE SCHÄFERKORDT: With our financial strength, it is our ambition to continue to grow RTL Group over the forthcoming years – to transform the leading European entertainment network into a global force in video production, aggregation and monetisation.

"With our financial strength, it is our ambition to continue to grow RTL Group over the forthcoming years."

ANKE SCHÄFERKORDT

Our business model

We are leaders across broadcast, content, digital

OUR KEY BUSINESSES

BROADCAST
TV and radio

CONTENT
production and distribution

DIGITAL
especially online video

THE VALUE CHAIN OF THE 'TOTAL VIDEO' MARKET

CONTENT PRODUCTION

What we do

FremantleMedia produces content for broadcasters and digital platforms globally. Our broadcasters also make and commission local content. We are active across most popular genres: news, entertainment shows, drama, sports, and factual entertainment.

How we make money

Broadcasters and digital platforms commission productions for a guaranteed income. The production company may also take some of the development risk, for later reward. Global hit formats can generate additional revenue by exploiting rights in gaming, music, merchandising and digital activities.

What makes us different

FremantleMedia is a global content and distribution network. We have a unique ability to roll out productions and hit formats internationally, and turn them into globally recognised brands. Established over a period of time, this model is hard to replicate.

AGGREGATION

What we do

TV channels and radio stations create and schedule programming, from which they shape their channel brands. Our flagship channels do not focus on a single genre, but balance many ingredients to create a general interest programming mix. A similar concept applies with multi-channel networks (MCNs), which aggregate attractive content into specific niches in the digital world.

How we make money

Advertising clients can book spots in linear and non-linear programming. The price they pay depends generally on the reach and demographic structure of the audience they target.

What makes us different

We have a unique ability to create and promote new formats, refresh long-running hits, and promote major events. We are experts in 'audience flow', creating a programming schedule that will reassure and attract audiences and keep them tuned in.

THE ROLE OF THE GROUP

Maintaining direction

The Group provides strategic direction and financial control, while overseeing a broad portfolio of autonomous businesses. These form a decentralised, scalable multi-region, multi-platform business model: television, radio and online brands with leading market positions in key geographical markets or themes.

Allowing autonomy

TV and radio are local businesses that serve different cultures and traditions, so each is led by its own CEO. This entrepreneurial approach ensures each business can act quickly and flexibly in its target market, create its own identity, and benefit from proximity to its audience. It can also build its own family of channels to complement its flagship channel.

Collaborating and coordinating

Group and local management meet regularly to share experiences, opportunities, challenges, and development plans, and to work on closer cooperation across the Group, in particular in the digital domain where scale is becoming ever more important. We ensure knowledge, expertise and promising innovations are rapidly shared across our Group.

Creating synergy

Our Synergy Committees (SyCos) enable relevant experts and decision makers to exchange best practice and develop strategic and operational aspects for all key areas of our business, such as programming, new media, sales, radio, and news.

DISTRIBUTION

What we do

Our aim is to offer our content wherever the audience wants to watch it – on multiple platforms and devices. But distribution has to follow clearly defined business rules. First, our TV shows are never separated from our channel brands. Secondly, we remain in control of monetisation. That means, we sell advertising.

How we make money

Our aim is to receive a fair share of the revenue generated by our brands and programmes on distribution platforms like cable network operators, satellite companies and internet TV providers. Such services include high-definition TV channels, on-demand platforms and digital pay channels. Our platform revenue is growing fast. It already accounts for 4 per cent of RTL Group’s total revenue, and there is potential for this to grow.

What makes us different

The various platform operators need must-see content and strong brands – this is exactly what we offer.

MONETISATION

What we do

Advertising sales is our primary revenue stream. We provide advertisers with large audiences who are attracted by high-quality content.

We work closely with our advertising clients to provide all types of ad formats – not just the traditional 30-second TV commercial, but also packages tailored to each client’s needs.

What makes us different

Advertising in audio-visual content has become very technology-driven, as digital advertising sales are much more fragmented and complex than in traditional broadcast. We are very early investors in the programmatic technology that automates the advertising sales process.

Our strategy

Delivering on our promises

Three key trends shaping RTL Group's strategy

1 COMPETITION

Lower barriers to entry make launching new linear TV channels easier than in the past – resulting in ongoing fragmentation of the TV market, both free-to-air and pay-TV.

This fragmentation results in increasing competition for time and viewers – both linear and non-linear. Above all, fragmentation of audiences and devices in the digital world makes it more challenging to generate mainstream hits – blockbuster formats that reach mass audiences. But this also means that successful formats and exclusive content become more valuable.

2 CONVERGENCE

The rapid technological developments in devices have changed user behaviour in recent years, and led to significant business opportunities. Smartphone and tablet sales are on the rise. The highly anticipated media convergence is already a reality on these devices. Accordingly, TV no longer stands for television alone – it also stands for total video.

For advertising-financed content, the key question is: how do you measure, and ultimately monetise, mobile, second-screen and other alternative viewing habits? Advertisers crave better multiscreen measurement and targeting. Given the fragmented markets, and the ageing society, where young target groups are increasingly consuming video on a non-linear basis, there is a need to measure and compare success on all devices.

3 COMPLEXITY

Digitisation also increases the importance of technology – whether for aggregating content or for advertising sales. For example, a multi-channel network (MCN) needs user guidance, a recommendation engine and thumbnail optimisation, just as a linear TV channel needs perfect audience flow. Establishing high reach online translates into aggregating a number of small networks – this also leads to a more fragmented way of selling advertising, with an increasing number of intermediate players between the advertisers and publishers.

Additionally, TV shows and films are increasingly available on more services and devices, leading to a higher number of rights windows, which need to be considered or acquired. Producers and rights owners may also extract additional value from catalogue and library content.

Three priorities for further growth

1
CREATE MUST-SEE TV

What we said

"Finding the new hits – both big and small – is a shared priority for both our broadcasters and our content production arm, FremantleMedia."[1]

"We strongly believe in having our own exclusive formats that are shown only on our channels. As a consequence, we invest in development, starting our own initiatives."[2]

What we achieved

Mediengruppe RTL Deutschland signed a deal with NBC Universal for the development of US procedural dramas as they consistently generate higher ratings than serialised dramas on free-TV channels in Europe

UFA Fiction and RTL Television produced and aired *Deutschland 83*, with FremantleMedia International handling international distribution (sold to 20 channels and platforms)

Vox broadcast its first commissioned drama series: *Club der roten Bänder* – scoring ratings 75 per cent above the channel's average

What's next

Further strengthen the development of local fiction and factual entertainment formats (for example: Vox has commissioned a second series of local fiction series *Club der roten Bänder)*

Further investments in live events and sports rights (for example: M6 has secured the rights to 11 matches, including the final, of Uefa's Euro 2016 tournament)


Club der roten Bänder


Euro 2016 on M6

"Strengthening the creative pipeline – and ultimately improving the profit margin – of FremantleMedia requires targeted investments in new talents, genres and geographical areas."[3]

FremantleMedia continued to increase its creative diversity, by investing in these companies:
- Corona TV (scripted; UK)
- Wildside (high end drama; Italy)
- Fontaram (scripted; France)
- Naked Entertainment (entertainment and factual entertainment; UK)
- No Pictures Please (factual programming; the Netherlands)
- Kwaï (fiction; France)
- Full Fat TV (factual entertainment and feature formats; UK)
- Man Alive Entertainment (entertainment and factual entertainment; UK)

FremantleMedia continues its strategy to pursue bolt-on acquisitions and talent deals (for example: in January 2016, FremantleMedia announced that it acquired a 51 per cent majority stake in Abot Hameiri, a leading Israeli production company specialising in entertainment formats, scripted reality and drama)

Grow profit margin of FremantleMedia back to 10 per cent

1 Annual Report 2014, page 15, 2 Annual Report 2014, page 9, 3 Annual Report 2014, page 9


Deutschland 83

2
GROW AUDIENCES

What we said

"We always want to be where our audiences are – and so we want RTL Group to become a global force in online video."[4]

What we achieved

In 2015, RTL Group gained a total of 105 billion video views, up 188 per cent from 36.4 million in 2014

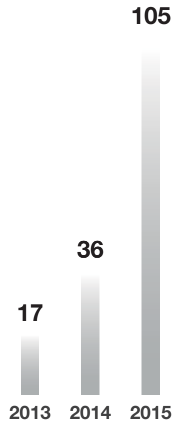
Based on Comscore figures, RTL Group has become the leading player in the YouTube environment

RTL Group ranked among the top 4 global players in online video

FremantleMedia
- founded dedicated digital studios such as TinyRiot! and Shotglass Media
- invested in online video with the leading European MCN, Divimove
- partnered with Vice Media to create the food channel Munchies

What's next

Capture the growth of long and short-form non-linear usage
- Expand distribution of RTL Group's catch-up TV services
- Invest in digital content, build and buy non-linear brands to attract young audiences



Growth of online video views (in billion)

"We continue to pursue opportunities to solidify our market position and to expand and strengthen our family of channels portfolio in order to drive growth and address the opportunities of market fragmentation."[5]

New linear TV channels launched in 2015:
- RTL Crime, RTL Passion, RTL Living in Croatia
- RTL Z in the Netherlands
- Mega and Atreseries in Spain

Launch of two new free-TV channels in Germany, RTL Plus and Toggo Plus

Geographic expansion: invest into attractive and complementary broadcast assets

RTL Z is a new free-to-air news and business channel in the Netherlands

4 Annual Report 2014, page 17, 5 Re-IPO prospectus, page 201

SCAN TO MEET
THE RTL DIGITAL HUB

3
CAPTURE THE VALUE OF DIGITAL

What we said

"To better monetise our rapidly growing digital reach will require new skills and resources – skills like aggregation and production of short-form video, and in advertising technology."[6]

Children's network HooplaKidz

"Competing with the global internet giants, we will make the best use of our assets. This requires closer co-operation across broadcast, content and digital."[7]

"We are confident that these digital businesses will reach such scale over the next three years that they will become one of the growth drivers of RTL Group's total revenue."[8]

What we achieved

BroadbandTV acquired YoBoHo, a digital media company that specialises in creating original content globally for kids. YoBoHo operates the leading children's network on YouTube called HooplaKidz

In 2015, RTL Group companies produced more than 700 hours of original content for digital platforms

Golden Moustache produced its first 'feature film': *Les Dissociès*

RTL Group invested in ad tech, with SpotX, Clypd and Videoamp

In June 2015, RTL Group founded the RTL Digital Hub in order to bundle and foster collaboration between RTL Group's newly acquired assets

SpotX launched joint ventures in Germany and the Netherlands

In 2015, RTL Group's digital revenue increased by 72.2 per cent to €508 million

What's next

Mediengruppe RTL Deutschland to acquire Smartclip, one of the most innovative companies in online video advertising[9]

Converge advertising sales and build new offers (for example, RTL Group's international advertising sales house, IP Network, has launched a new international digital sales unit, which now represents StyleHaul and has signed a first multimarket deal with Beats)

Continued investment in product development at SpotX, for example into data-based cross-screen campaign measurement

RTL Group's investments in advertising technology

Manage and measure cross-screen video usage

Closer collaboration between SpotX, Clypd and VideoAmp

We expect that our digital revenue will continue to grow strongly by double-digit rates in 2016 and beyond

6 Annual Report 2014, page 19, 7 Annual Report 2014, page 20, 8 Annual Report 2014, page 10, 9 Subject to approval from the Federal Cartel Office

Our role in society

To entertain and inform is just the start

News, views, information, entertainment: RTL Group content is available when and where you want it.

‘To entertain and inform’. This simple aim has been at the heart of our business since our first broadcast, in 1924. But that’s really just the beginning. Yes, audio-visual content entertains and informs. But more than that, we believe it is the most complete medium. It addresses hearts and minds, demands attention, depicts history, triggers our emotions – there is no better way to tell stories. It is a communal window on the world. This is our role in society.

As we have grown, so have the responsibilities that come with our role. As a major opinion former and information provider, we have a social and economic responsibility to many different groups in society.

HERE IS AN OVERVIEW OF OUR KEY STAKEHOLDERS.

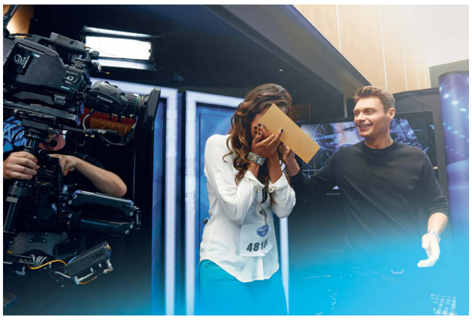
VIEWERS, LISTENERS AND DIGITAL USERS

Through TV, radio and the internet, every day, millions of people all over the world tune in to RTL Group’s content. Throughout our history, we have set new standards and kept viewers and listeners inspired and interested. We have remained true to one of our early slogans – “refreshingly different”. And also to another of our watchwords – “always close to the audience”. We have grown our business by covering topics of direct concern to the viewer or listener.

A healthy, varied and high-quality broadcasting and internet landscape is hugely important to a democratic and diverse society. Those millions of people using our news and magazines to learn information of local, national and international interest, expect to be able to trust us. Our independence means we can uphold strong principles of journalistic balance, which reflect society’s choice and diversity. Our local CEOs act as publishers and don’t interfere in the choice or production of content, which is the responsibility of the local editor-in-chief.

Since the early 1990s we have been building families of TV channels and radio stations. They offer our audiences the broadest and most inclusive spectrum of entertainment and informational programmes possible: high-quality programming for all – regardless of demographic or circumstance.

THE CREATIVE COMMUNITY



Every year, RTL Group invests €2 billion in the European creative industries. Whether through our broadcasters commissioning content production companies. Or our content arm FremantleMedia itself commissioning artists and scriptwriters, and many freelance creatives. RTL Group takes a financial risk by buying a TV programme from a production company or creator, or by funding a show. To regain our investment, we are allowed the exclusive rights to the programme in a geographical territory, and control over distribution. With high audience figures, we can recoup our investment from advertisers. If the chain works, the originator is paid and can think about new ideas.

Today, viewers can watch whatever they want, wherever they want, however they want. That the money paid for this audio-visual entertainment makes its way to the producer of the content and the creator of the idea is a critical step in the process. Ensuring rights holders are suitably rewarded is vital for encouraging programme innovators and creators to unlock their potential. Copyright is the heartbeat of our industry. Effective protection and enforcement of intellectual property rights are pre-conditions of the ever-increasing consumer choice in the digital world, and the foundation of modern culture. And so our solid commitment to the concept value of copyright is an important part of our value to society.

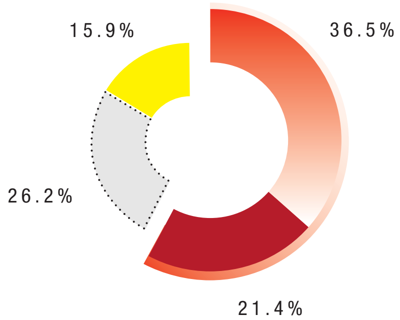
OUR ADVERTISERS

There is no advertising more effective than the television commercial. TV offers an unbeatable and quick way to reach mass audiences, and retains the dominant role in the advertising mix. As an advertising medium, TV is compatible with online, radio, newspapers and magazines. TV establishes the central concept of a major advertising campaign, which then resonates through other media and is complemented by our investment in online video advertising. Consequently, advertisers have either always known, or recently rediscovered, that they need audio-visual content to communicate their messages to consumers.

Commercials work when they tell interesting stories, appeal to our emotions, inform and surprise – which is what advertisers also wish to do. Video content and advertising is a happy marriage, and the offspring of that marriage is free-to-air broadcasting. Each day, millions of viewers watch our free-TV channels, financed by advertising, and make their lifestyle purchasing decisions. All of this definitely helps to keep the global economy moving.

RTL GROUP'S BROADCASTERS' PROGRAMME SPEND IN 2015*

*based on fully consolidated businesses



- Local productions
- News, magazines and sports
- Acquired programming (mainly US content)
- Other programming costs

OUR PEOPLE

We are a people business, driven by the creativity and commitment of our employees. As an 'employer of choice', we offer attractive salaries and other financial incentives. We also offer a package that covers criteria such as the quality of the work environment, opportunities for career advancement, training and general wellbeing.

We offer equal opportunities in all recruiting and promotion decisions, and disciplinary measures, so long as criteria such as qualifications, performance and leadership determine those decisions. But we ensure there is no form of discrimination against employees or applicants based on age, disability, religion or belief, sexual orientation or any other specific characteristic allowed for under anti-discrimination laws. We make a wide range of training and development opportunities available and have talent management and succession planning programmes in place.

RTL Group follows a decentralised approach, where each business can act flexibly in its local market, build its own local soul and identity, and benefit from one of the most important success factors: proximity to its audience. This offers our people a great deal of autonomy. At the same time we foster collaboration across the Group – open communication and open minds work better together, but the ability to talk to colleagues with similar problems and opportunities in parallel markets generates a lot of confidence and reassurance.

COMMUNITIES AND CHARITIES

RTL Group has always been aware of the great responsibility that comes with being an opinion former and information provider in society. As a leading media organisation, we are in an excellent position to bring to people's attention important social and environmental issues – particularly those that might otherwise go unreported or under-funded – through reports, magazine shows and series.

We are also well positioned to support a wide range of good causes and raise money for charities. We use our high profile – and the power of TV, radio and the internet – to campaign and raise funds to make a difference to the lives of people. In Germany, the annual *RTL-Spendenmarathon* event and show has raised over €143 million for children in need in Germany, and around the world, since 1995. In Belgium and Luxembourg, our *Télévie* fundraising event has raised over €150 million towards scientific research to fight cancer – particularly leukaemia in children. These are just two of the many projects alongside those in support of sick or disadvantaged children and young people in Croatia, Belgium, Hungary, the UK, France and the Netherlands.

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

Club der roten Bänder on Vox tells the story of young teenagers during their time in hospital

Chairman's statement

Thomas Rabe
CHAIRMAN OF THE BOARD OF DIRECTORS

RTL Group looks back on one of the most successful years in its history. In 2015, our revenue surpassed six billion euros for the first time. EBITA also reached a record level. We made strategic progress across the Group in 2015, especially in the expansion of our digital businesses around the world.

THEIR CONTRIBUTION to total revenue has increased significantly to 8.4 per cent. Besides acquisitions, this was fuelled by the organic growth of the digital businesses: RTL Group's catch-up TV services, websites, and multichannel networks attracted a total of 105 billion video views – up 188 per cent on the previous year. In less than three years, RTL Group has become one of the world's four biggest players in online video – and the number one in multi-channel networks in the US. BroadbandTV and StyleHaul, which each recorded revenue growth in the high double digits in 2015, played a major role in this.

SpotX, our video advertising monetisation platform, also did very well. Having established a strong foothold in the US, we have started to expand SpotX to other markets, especially in Europe.

RTL Group also strengthened the digital businesses through acquisitions. In April, we raised our stake in Clypd, a platform for programmatic advertising sales on linear TV, to 17.4 per cent. The same month, BroadbandTV announced the acquisition of YoBoHo HooplaKidz, the world's leading digital-first kids' content producer. And in November, RTL Group led the funding round for VideoAmp. The Group now holds a 21.5 per cent stake in the platform for cross-screen data optimisation.

To further develop our digital businesses and drive their growth, we formed the RTL Digital Hub in 2015. It comprises our investments in the areas of multi-channel networks and digital advertising sales, and is dedicated to maximising the value of this highly complementary portfolio, providing support for its further international expansion.

Our broadcast business showed satisfying development in 2015, with yet another record year at Mediengruppe RTL Deutschland, with revenue and profits up substantially. The continued growth of the advertising markets had a positive effect in all our European territories. In Croatia we added three special-interest basic pay channels to our family of channels, and in the Netherlands we launched the free-to-air news channel RTL Z.

We also expanded our content production portfolio in 2015: FremantleMedia strengthened its position with new shareholdings in France (Fontaram, Kwaï), Britain (Full Fat TV, Naked Entertainment), Italy (Wildside) and the Netherlands (No Pictures Please).

This overview shows that beyond our ongoing responsibilities, such as reviewing our Group's financial and operating performance, last year the Board of Directors, in close collaboration with the Executive Committee, initiated a multitude of measures to further develop RTL Group along its three strategic pillars 'broadcast – content – digital'. I am delighted that Thomas Götz, General Counsel at Bertelsmann, has recently supported us in this task with his business expertise. At the same time, I thank Achim Berg and Jonathan Miller, who resigned from our Board of Directors during 2015, for their past contribution.

"We want to keep up RTL Group's dynamic development in the years ahead."

We want to keep up RTL Group's dynamic development in the years ahead, and are counting on the continued engagement of our employees in this. This creativity forms the basis of our content and offers. This was especially evident in 2015, when our UFA Fiction series *Deutschland 83* earned international recognition. The newly launched *Club der roten Bänder*, the first fiction series commissioned by Vox, scored remarkable success from the start in Germany – as did our Videoland's drama series *Zwarte Tulp* in the Netherlands.

I look forward to many more examples like these – and am delighted with your interest in RTL Group.

THOMAS RABE
CHAIRMAN OF THE BOARD OF DIRECTORS

The Board

Executive Directors

ANKE SCHÄFERKORDT
Co-Chief Executive Officer

Anke Schäferkordt, born in 1962, holds a degree in business administration. She started her career at Bertelsmann in 1988. In 1991, she moved to RTL Plus (now RTL Television) in Cologne, and took over the Controlling department the following year. From 1993 to 1995 she was a Director in charge of the Corporate Planning and Controlling division at RTL Television.

In 1995, she joined the TV broadcaster Vox, serving as CFO and, from 1997 onwards, also as Programme Director. From 1999 until 2005, she was CEO of Vox. In February 2005, Anke Schäferkordt was appointed Chief Operating Officer and Deputy CEO of RTL Television, and since September 2005, its CEO. In November 2007, the German RTL family of channels adopted the corporate brand name Mediengruppe RTL Deutschland. In her capacity as CEO of RTL Television, Anke Schäferkordt is also CEO of Mediengruppe RTL Deutschland.

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

Anke Schäferkordt was appointed Member of the Supervisory Board of Groupe M6 as of 28 April 2015.

Mandates in listed companies:
Member of the Supervisory Board of BASF SE, Ludwigshafen
Nationality: German
First appointed: 18 April 2012
Re-elected: 15 April 2015

GUILLAUME DE POSCH
Co-Chief Executive Officer

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

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

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

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

Since 28 April 2015, Guillaume de Posch has been Chairman of the Supervisory Board of Groupe M6.

Nationality: Belgian
First appointed: 18 April 2012
Re-elected: 15 April 2015

Non-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
Nationality: German
First appointed: 18 April 2012
Re-elected: 15 April 2015

THOMAS RABE
CEO and Chairman
of the Bertelsmann
Management SE Executive Board

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

In 2000, Thomas Rabe became Chief Financial Officer and member of the Executive Committee of RTL Group. In March 2003, he was also appointed Head of the Corporate Centre with responsibility for the Luxembourgish activities of RTL Group. With effect from 1 January 2006, Thomas Rabe was appointed to the Executive Board of Bertelsmann AG as the Group's Chief Financial Officer. From 2006 to 2008, he was additionally responsible for Bertelsmann AG's music business.

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

Committee membership:
Audit, Nomination and Compensation
Mandates in listed companies:
Chairman of the Supervisory Board
of Symrise AG, Holzminden
Nationality: German
First appointed: 12 December 2005
(effective 1 January 2006)
Re-elected: 15 April 2015

Non-Executive Directors

ACHIM BERG

Chief Executive Officer,
Arvato AG
(until 12 July 2015)

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

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

From April 2013 to July 2015, he was Chief Executive Officer of Arvato AG and a member of the Executive Board of Bertelsmann Management SE. He has also been Vice President of Bitkom – the Federal Association for Information Technology, Telecommunications and New Media – in Germany since June 2013.

Achim Berg resigned his mandate as member of the RTL Group Board of Directors with effect from 12 July 2015.

Nationality: German
First appointed: April 2014
Re-elected: 15 April 2015

THOMAS GÖTZ

General Counsel,
Bertelsmann SE & Co. KGaA

Thomas Götz, born in 1971, graduated from the University of Bayreuth with a doctorate in law in 1999. A year earlier, during his studies, he joined Bertelsmann's Corporate Legal department as an in-house lawyer. From 2009 to 2013, he was Co-Head of Mergers and Acquisitions at Bertelsmann. Prior to this he worked for two years as Senior Vice President Mergers and Acquisitions. Thomas Götz has been General Counsel at Bertelsmann SE & Co KGaA since January 2014.

In April 2015, Thomas Götz was appointed as Non-Executive Director to RTL Group's Board of Directors for a term of office of three years, to expire at the end of the Ordinary General Meeting of Shareholders ruling on the 2017 accounts.

Nationality: German
First appointed: 15 April 2015

ROLF HELLERMANN

Executive Vice President
Corporate Controlling & Strategy,
Bertelsmann SE & Co. KGaA
Chief Financial Officer, Arvato AG

Rolf Hellermann, born in 1976, studied business administration in Vallendar, Los Angeles and Nancy and completed his studies with a doctorate from the WHU – Otto Beisheim School of Management. In 2004, he joined Bertelsmann's Corporate Controlling and Strategy department, and in 2008 he was appointed Vice President in charge of corporate controlling and investment controlling for the divisions Random House, Arvato and Direct Group. During his Bertelsmann career, Rolf Hellermann has also completed postings at RTL Group in Luxembourg and Gruner + Jahr in Hamburg.

Since 2012, he has been EVP Corporate Controlling & Strategy at Bertelsmann SE & Co KGaA. In addition to this function he became CFO of Arvato in July 2015.

In August 2015, Rolf Hellermann was co-opted as a Non-Executive Director to RTL Group's Board of Directors to replace Achim Berg who resigned with effect from 12 July 2015. The next ordinary general shareholders' meeting will vote on his appointment.

Nationality: German
First appointed: 26 August 2015

Non-Executive Directors

BERND KUNDRUN

Investor

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

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

From November 2000 to 6 January 2009, Bernd Kundrun was Chairman of Gruner + Jahr's Executive Board and the company's CEO. During this time, he was also a member of the Executive Board of Bertelsmann. Since February 2009, Bernd Kundrun has been partner of the online donation platform *Betterplace.org* and since 2015 he is the Honorary Chairman of the Supervisory Board of *Gut.org*.

At the end of 2009, Bernd Kundrun founded the Start 2 Ventures Beteiligungsgesellschaft which provides online start-ups with initial capital. He is also a member of the Board of Directors of *Neue Zürcher Zeitung*, and of the Supervisory Board of CTS Eventim AG & Co. KGaA and of the Board of Comcave GmbH.

Nationality: German
First appointed: 18 April 2012
Re-elected: 15 April 2015

JONATHAN F MILLER

Partner Advancit Capital
(until 13 November 2015)

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

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

Jonathan F Miller resigned his mandate as member of the RTL Group Board of Directors with effect from 13 November 2015.

Nationality: American
First appointed: 16 April 2014
Re-elected: 15 April 2015

JACQUES SANTER

Chairman of the Board of CLT-UFA;
Independent Director

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

Nationality: Luxembourger
First appointed: 9 December 2004
Re-elected: 15 April 2015

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

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

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

Committee membership:
Nomination and Compensation
Nationality: German
First appointed: 18 April 2012
Re-elected: 15 April 2015

JAMES SINGH
Independent Director

James Singh, born in 1946, holds a Bachelor of Commerce (Hons) and a Master of Business Administration from the University of Windsor, Canada. He is a CPA (Canada) and a Fellow of the Chartered Institute of Management Accountants (UK).

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

James Singh previously served as Chairman of the Finance Committee of the European Round Table, and is a member of the International Integrated Financial Reporting Standard Committee.

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

Committee membership:
Audit (Chairman)
Nationality: Canadian
First appointed: 18 April 2012
Re-elected: 15 April 2015

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 WHSmith PLC, and from 1999 to 2005, International Advisor to Goldman Sachs. From 2005 until 2013, he was Chairman of the Board of Syngenta AG.

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

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

Committee membership:
Audit, Nomination and Compensation (Chairman)
Nationality: British
First appointed: 25 July 2000
Re-elected: 15 April 2015

Executive Committee

ANKE SCHÄFERKORDT
Co-Chief Executive Officer

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

GUILLAUME DE POSCH
Co-Chief Executive Officer

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

ELMAR HEGGEN
Chief Financial Officer and
Head of the Corporate Centre

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

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

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

** Permanent guest*

The Executive Committee keeps the Board of Directors informed on the results of the Group and its main profit centres on a regular basis. The compensation of the members of the Executive Committee is determined by the Nomination and Compensation Committee, and is composed of a fixed and a variable part (see note 9.3. to the consolidated financial statements).

@MediengruppeRTL

#Berlin

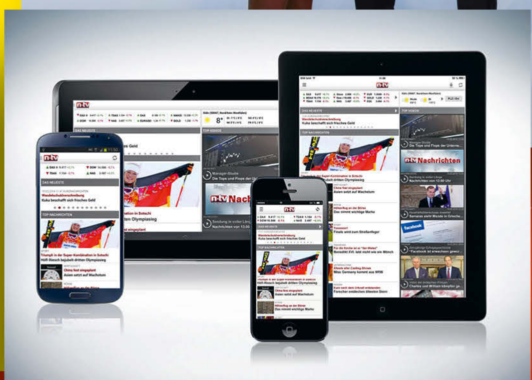
Mediengruppe RTL Deutschland opened its new studio in Berlin in September 2015.

In March 2015, RTL Hrvatska launched three new digital pay-TV channels in Croatia.

M6 revamped its main news bulletins *Le 12h45* and *Le 19h45* introducing state-of-the-art technology.

#Le12h45 #Le19h45

#M6 @M6info



In 2015, German news channel N-TV attracted over **8.98** million monthly unique users on *N-TV.de*.

@ntvde

#DerTag

Directors' report, Consolidated financial statements and Auditors' report

Directors' report

The Directors are pleased to present their report to the shareholders, with details on the businesses and the development of the Group, together with the consolidated financial statements for the year ended 31 December 2015.

Highlights

	Year to December 2015 €m	Year to December 2014[1] €m	Per cent change
Revenue	**6,029**	**5,808**	**+3.8**
Reported EBITA[1]	**1,167**	**1,144**	**+2.0**
Reported EBITA margin (%)	19.4	19.7	
EBITDA[2]	1,360	1,347	+1.0
EBITDA margin (%)	22.6	23.2	
Reported EBITA	**1,167**	**1,144**	
Impairment of goodwill of subsidiaries, impairment of investments accounted for using the equity method and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(6)	(100)	
Re-measurement of earn-out arrangements	10	2	
Gain from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	4	1	
EBIT	**1,175**	**1,047**	
Net financial (expense)/income	(12)	(27)	
Income tax expense	(300)	(287)	
Profit for the period	**863**	**733**	
Attributable to:			
– Non-controlling interests	74	81	
– RTL Group shareholders	789	652	+21.0
Reported EPS (in €)	**5.14**	**4.25**	

1 2014 figures adjusted for changes in purchase price allocation
2 EBITA represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree
3 EBITDA represents EBIT excluding amortisation and impairment of non-current programme and other rights, of goodwill and disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

Record levels: revenue and EBITA reach new highs

- Reported **Group revenue** increased 3.8 per cent to €6,029 million (2014: €5,808 million), mainly driven by increasing revenue at Mediengruppe RTL Deutschland, growing digital revenue and favourable exchange rate effects
- RTL Group's revenue is well diversified with 53.7 per cent from broadcast advertising (TV and radio), 22.0 per cent from content, 8.4 per cent from digital activities, 4.1 per cent from platform revenue (€248 million) and 11.8 per cent other revenue
- **Reported EBITA** also reached a new record level up 2.0 per cent to €1,167 million (2014: €1,144 million). The increase is mainly due to a significantly higher EBITA contribution from Germany
- Reported **EBITA margin** was at 19.4 per cent (2014: 19.7 per cent)
- **EBITDA** was slightly up by 1.0 per cent to €1,360 million (2014: €1,347 million)
- **Net profit** attributable to RTL Group shareholders increased strongly by 21.0 per cent to €789 million (2014: €652 million). 2014 was impacted by impairment of goodwill of subsidiaries for €88 million
- Net cash from operating activities was €983 million, resulting in an operating cash conversion of 87 per cent. **Net financial debt** was €670 million at the end of 2015 (2014: net financial debt of €599 million)
- In the **fourth quarter of 2015**, reported Group revenue was up 1.4 per cent at €1,888 million (Q4/2014: €1,862 million), while reported EBITA was down by 3.4 per cent to €451 million (Q4/2014: €467 million). This reflects significant positive one-off effects in the fourth quarter of 2014. On an adjusted basis, fourth quarter EBITA was up 4.1 per cent year-on-year
- RTL Group's Board of Directors has proposed a **final ordinary dividend** of €3.00 per share for the fiscal year 2015 (2014: ordinary dividend of €2.50 per share; extraordinary dividend of €1.00 per share). This proposal is a reflection of the Group's strong cash flows, future investment plans and its target net debt to full-year EBITDA ratio of 0.5 to 1.0 times. In addition, RTL Group already paid an extraordinary interim dividend of €1.00 per share for the fiscal year 2015 in September 2015
- Based on the average share price in 2015 (€82.2[4]), the total dividends for the fiscal year 2015 (€4.00 per share; 2014: €5.50 per share) represent a **dividend yield** of 4.9 per cent (2014: 6.8 per cent)

Segments: Mediengruppe RTL Deutschland with another record year

- Once again, **Mediengruppe RTL Deutschland** closed the year with a financial record: EBITA grew significantly by 5.2 per cent to €684 million (2014: €650 million), resulting in a best-in-class EBITA margin of 32.0 per cent (2014: 31.8 per cent). This improvement was mainly driven by higher TV advertising and diversification revenue
- Despite a strong performance in TV, **Groupe M6**'s EBITA decreased to €205 million (2014: €209 million), mainly due to lower contribution from diversification activities (home-shopping operations, the football club Girondins de Bordeaux and others)
- In line with previous guidance, EBITA of **FremantleMedia** – RTL Group's content production arm – decreased to €103 million (2014: €113 million), reflecting the reduction in *American Idol* and increased investment in the creative pipeline
- **RTL Nederland**'s EBITA was down 1.9 per cent to €101 million (2014: €103 million), reflecting start-up losses in video on demand, and the termination of the Sizz partnership with Vodafone in 2014
- At **RTL Hungary**, EBITA was up to €21 million (2014: loss of €1 million), driven by one-off effects such as the partial reversal of a stock valuation allowance and the reclaiming of the advertising tax paid in 2014

4 Frankfurt Stock Exchange

Digital has become a significant revenue growth driver

- RTL Group's **digital revenue**[5] continued to show strong growth, up 72.2 per cent to €508 million (2014: €295 million). Performance benefitted from organic growth and new acquisitions

- All of the three main businesses of the RTL Digital Hub – BroadbandTV, StyleHaul and SpotX – continued to show strong individual revenue growth. Year-on-year, BroadbandTV was up 102 per cent[6], StyleHaul was up 87 per cent[6], SpotX was up 56 per cent[6]

- RTL Group continued to grow scale in **online video** in 2015:
  - RTL Group's catch-up TV services, websites and MCNs attracted a total 105 billion **online video views**[7], almost tripled year-on-year (2014: 36.4 billion video views)
  - RTL Group currently generates around 11 billion **online video views per month** – up 87 per cent year-on-year (comparing January 2016 with January 2015)

- In June 2015, RTL Group formed the **RTL Digital Hub** to drive leadership and growth in the digital video market. The RTL Digital Hub team manages RTL Group's portfolio of digital acquisitions, provides support for their further international expansion, and scans the market for further investments in the online video space

- In April 2015, RTL Group led the most recent financing round for **Clypd**, a US-based platform for programmatic advertising sales on linear TV, and now holds a 17.4 per cent minority stake in the company (on a fully diluted basis)

- In April 2015, BroadbandTV announced the acquisition of **YoBoHo**, the world's leading digital-first kids content producer. A few months later BroadbandTV launched the HooplaKidz Network with the vision to build the leading kids and family entertainment digital ecosystem, including a strong distribution network, apps, merchandising, licensing and significant original content

- In November 2015, RTL Group led the most recent funding round for **VideoAmp**, a US-based platform for cross-screen data optimisation, and now holds a 21.5 per cent minority stake (on a fully diluted basis)

- On 1 March 2016, Mediengruppe RTL Deutschland bundled their catch-up services of the 'Now' family (RTL Now, Vox Now, RTL II Now, RTL Nitro Now, Super RTL Now and N-TV Now) in a new offer called **TV Now**

Additional investments in the creative pipeline

- In 2015, FremantleMedia made a series of eight investments, strengthening capabilities in the scripted, entertainment and factual genres. This included Wildside, Italy's leading high-end TV and feature film producer, and French scripted producers Fontaram and Kwaï

- In June, the US premium cable channel Starz gave the green light to FremantleMedia North America's adaptation of Neil Gaiman's acclaimed contemporary fantasy novel *American Gods*

- In February 2015, FremantleMedia International (FMI) announced an agreement with AMC's Sundance TV that saw UFA Fiction's *Deutschland 83* become the first German-language series to air on a US channel. The title has now sold to 20 broadcasters and subscription video on demand (SVOD) platforms around the world

Outlook

- The TV advertising markets in 2015 reflected the overall macro-economic situation in Europe. All European net TV advertising markets in RTL Group's territories were up or stable year-on-year. This picture is expected to be similar in 2016

- RTL Group currently expects its total full-year revenue to continue to grow moderately (+2.5 per cent to +5.0 per cent), predominantly driven by the Group's digital businesses. EBITA for the full year 2016 is expected to be broadly stable (-1.0 per cent to +1.0 per cent). Both revenue and EBITA forecasts are based on current stable market conditions

5 Excluding e-commerce, home shopping and platform revenue for digital TV
6 Pro-forma
7 Consolidated view

Corporate profile

With interests in 57 television channels and 31 radio stations, RTL Group is the leading European entertainment network. The Luxembourg-based company owns stakes in TV channels and radio stations in Germany, France, Belgium, the Netherlands, Luxembourg, Spain, Hungary, Croatia and South East Asia. It is one of the world's leading producers of television content: from talent and game shows to drama, daily soaps and telenovelas, including *Idols*, *Got Talent*, *The X Factor*, *Good Times – Bad Times* and *Family Feud*.

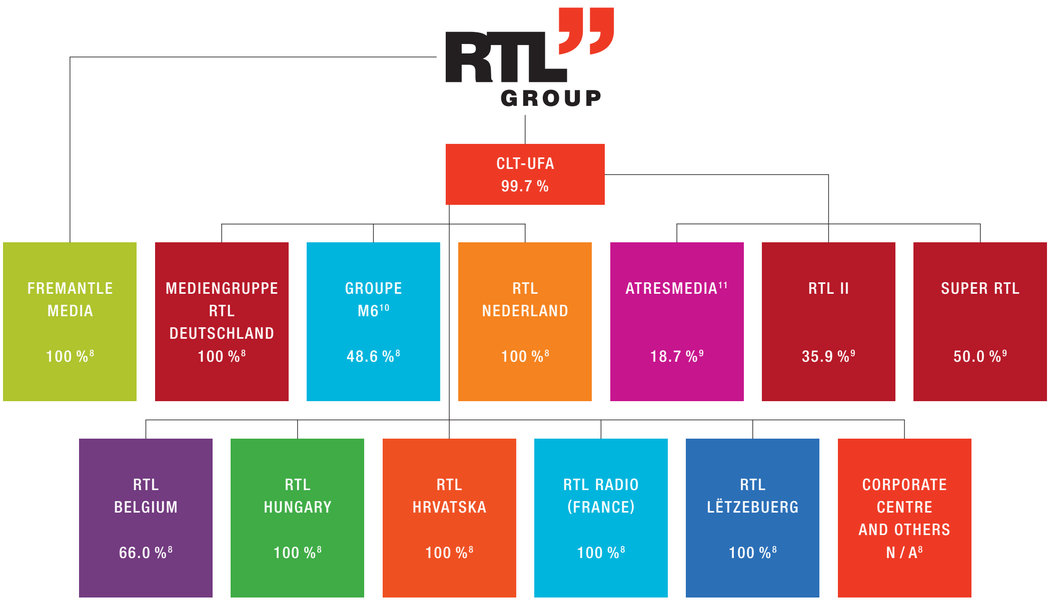
The roots of the company date back to 1924, when Radio Luxembourg first went on air. Compagnie Luxembourgeoise de Radiodiffusion (CLR) was founded in 1931. As a European pioneer, the company broadcast a unique programme in several languages using the same wavelength.

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 Pearson PLC. CLT-UFA 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.

RTL Group has its registered office at 45, boulevard Pierre Frieden, 1543 Luxembourg, Grand Duchy of Luxembourg. The Company is a Luxembourg public limited liability company (société anonyme) incorporated in Luxembourg and governed by Luxembourg law.

Bertelsmann has been the majority shareholder of RTL Group since July 2001. RTL Group's shares are publicly traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange and on the Brussels and Luxembourg stock exchanges. Since September 2013, RTL Group has been listed in the prestigious M-Dax stock index.

RTL Group corporate structure (simplified)



The chart does not refer to specific legal entities and the percentages mentioned are approximate. The 0.3 per cent minority shareholding in CLT-UFA is held by third parties

RTL Group's business comprises the following seven reporting segments: Mediengruppe RTL Deutschland, Groupe M6, FremantleMedia, RTL Nederland, RTL Belgium, RTL Radio (France) and Others (including RTL Hungary, RTL Hrvatska (Croatia), RTL Group's Luxembourgish activities, the German radio business and the investment accounted for using the equity method, Atresmedia in Spain. The segment Others also includes RTL CBS Asia Entertainment Network and RTL Group's digital assets – SpotX, BroadbandTV and StyleHaul – bundled in the RTL Digital Hub).

8 Fully consolidated
9 Investment accounted for using the equity method
10 Net of treasury shares and own shares held by Métropole Télévision SA under liquidity contract
11 Net of treasury shares

RTL Group's business covers the following three business areas: broadcast, content and digital. The Group's broadcast businesses are, above all, local businesses, and the different segments serve different cultures, traditions and identities across Europe. For that reason, each segment is led by its own CEO and acts autonomously with full editorial independence. This entrepreneurial approach enables each segment to act flexibly in its local market, build its own local identity, and benefit from one of the most important success factors in the broadcasting business: proximity to its audience.

Although the Group's segments have the advantage of being able to act independently according to their markets' needs, each segment benefits from the integrated approach of knowledge and experience sharing across the Group. RTL Group's Synergy Committees (SyCos) have become one of the major platforms for information and knowledge sharing across the Group's decentralised organisation. The Synergy Committees are comprised of executives and experts from the segments and the Corporate Centre. They meet regularly on subjects such as programming, news, radio, advertising sales and new media. While each segment makes its own management decisions, it is free to draw on the understanding and expertise of other RTL Group companies to replicate successes and pass on ideas. The SyCos are coordinated by RTL Group's Corporate Strategy team.

The role of the Corporate Centre based in Luxembourg and led by the Group's Chief Financial Officer is to provide a framework of strategic direction and financial controls while actively managing the portfolio of holdings.

The Corporate Centre management regularly convenes with the CEOs and senior managers of the Group's local operations to share experiences; to update each other on the opportunities, challenges, and development plans at their businesses; and to explore the potential for cooperation. This process seeks to ensure that knowledge and expertise are rapidly shared across our Group, and that successful innovations at one segment are implemented across others if they are found to be promising.

The Corporate Centre comprises the following functions: Consolidation and Accounting; Corporate Strategy & Controlling; Corporate Human Resources; Legal; Investor Relations; Corporate Communications & Marketing; Treasury; Audit & Compliance; and Tax.

The business areas

Broadcast

Television: RTL Group is Europe's largest broadcaster. 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 Group also has broadcasting operations in Hungary (RTL Klub, RTL II, and six cable channels), Croatia (RTL Televizija, RTL 2, RTL Kockica), Luxembourg and interests in Atresmedia in Spain. In August 2013, RTL Group and CBS Studios International launched RTL CBS Asia Entertainment Network, which currently operates two pay-TV channels across South East Asia: RTL CBS Entertainment HD and RTL CBS Extreme HD.

Radio: RTL Group's radio stations reach millions of listeners each day. The Group's flagship radio station is RTL Radio in France, and it also owns or has interests in stations in Germany (among others: 104.6 RTL, Antenne Bayern), Belgium (Bel RTL, Radio Contact), Spain (Onda Cero, Europa FM, Melodía FM) and Luxembourg (RTL Radio Lëtzebuerg, Eldoradio).

Content

RTL Group's content production arm, FremantleMedia, is one of the largest creators, producers and distributors of television brands in the world. With operations in 29 countries, FremantleMedia creates over 10,000 hours of TV programming each year. The company also distributes more than 20,000 hours of content in over 200 territories.

Digital

RTL Group has become the leading European media company in online video and is ranked among the top four global players in online video. In June 2015, RTL Group founded the RTL Digital Hub, bundling key investments in multi-channel networks such as BroadbandTV and StyleHaul, as well as SpotX – one of the leading players in programmatic video advertising – and the most recent investments: Clypd, a pioneer in programmatic TV, and VideoAmp, a platform for cross-screen data optimisation.

Group strategy: a global force in video production, aggregation and monetisation

TV doesn't just mean 'television' anymore, it means 'total video'. RTL Group has built market-leading positions across this new market's value chain. With its families of channels, RTL Group's subsidiaries are either number one or number two in the European markets in which they operate. RTL Group's production arm, FremantleMedia, is a global leader in content production. And with the recent digital investments in North America – BroadbandTV, StyleHaul and SpotX – RTL Group reached critical mass in online video. With further investments in broadcast, content and digital, RTL Group will transform into a global force in video production, aggregation and monetisation. To do so, the strategy focuses on three main investment areas: broadcast, content, and digital.

Broadcast

In the years ahead, strengthening RTL Group's core business remains a key part of the Group's strategy. The **building and extension of families of channels** remains an important task in responding to increasing audience fragmentation in a digital, multi-channel world. The Group has already established strong families of channels in Western Europe, all of which are either number one or two in their respective markets. These activities were enhanced with the addition of a number of digital channels with clearly defined profiles, such as RTL Nitro, W9, 6ter and RTL Z.

One focus of the broadcast strategy is a significant **increase in non-advertising revenue** by establishing a second revenue stream from platform operators. RTL Group aims to receive a fair revenue share for its brands and programmes from the major distribution platforms – cable network operators, satellite companies and internet TV providers – for new services such as high-definition TV channels, on-demand platforms and digital pay channels.

Geographical expansion in high-growth regions also remains on RTL Group's agenda. In August 2013, RTL Group announced the launch of a company with CBS Studios International to launch two pay-TV channels in South East Asia, targeting a potential market of 113 million TV households. The two channels of the company – RTL CBS Entertainment HD and RTL CBS Extreme HD – are already on air in numerous countries across South East Asia. By joining forces with a global partner as renowned as CBS, RTL Group continues its tried-and-tested build strategy, expanding its business to more countries in Asia with high growth potential.

Investing in **top-quality content** that will attract high audience shares is vital for today's broadcasting industry as 'must-see' content becomes ever more valuable in the digital age. In addition to nurturing and refreshing established popular shows, news, daily soaps and reality formats, RTL Group's broadcasters invest significantly in developing new, exclusive formats and in acquiring premium content – because they contribute towards image, strengthen the brand and – most importantly of all – command exclusivity in the marketplace. That's the major task for linear TV channels in the future: to have a clear profile, something that makes them stand out as unique.

Content

The strategy of RTL Group's production arm FremantleMedia has four pillars:

Firstly, maintaining the company's position as a leading producer of quality programming by **nurturing established brands** such as *Got Talent* and *The Farmer Wants A Wife,* and **investing to create new formats and brands**.

Secondly, **diversifying FremantleMedia's portfolio** by strengthening its local businesses and increasing prime-time drama. The company acquired a majority stake in 495 Productions, a leading US-based reality production company renowned for its cutting edge, female-skewed programming. FremantleMedia also acquired the Danish drama production company Miso Film in 2013. FremantleMedia made a series of eight investments in 2015 (with options to buy the remaining stakes in the future), strengthening capabilities in the scripted, entertainment and factual genres.

Meanwhile, investments in high-end productions further accelerate FremantleMedia's growth in prime-time drama. The riveting eight-part UFA Fiction series *Deutschland 83* premiered on Sundance TV in the US in June 2015 to huge critical acclaim and has since sold to a total of 20 channels and platforms. Starz, a leading US premium cable channel, has greenlit FremantleMedia North America's adaptation of Neil Gaiman's acclaimed contemporary fantasy novel *American Gods.*

Thirdly, **maximising the global FremantleMedia network** by increasing scale in strategic markets. In recent years, the company has strengthened its Scandinavian and Southern European footprint with the opening of new offices in Sweden, Norway and Spain. In 2015, FremantleMedia made several investments throughout Europe, among them Wildside, an Italian TV and feature film production company, and French scripted producer Kwaï.

Fourthly, **building a scalable digital business**. FremantleMedia's goal is to become as successful a creator, producer and distributor in the digital space as it is in traditional television. To do this, the company is building on its heritage of ground-breaking second screen activity and its leading position on YouTube, creating more original digital content and building scale. The company operates original digital production studios in the US (Tiny Riot), UK (Shotglass Media), Germany (UFA Lab) and Australia (Spring) and produces for partners such as Vice Media, StyleHaul, BroadbandTV and for FremantleMedia's TV brands. The company acquired a majority stake in Divimove, Europe's number one multi-channel network with an aggregated network of 1,300 third-party channels of independent influencers and content creators, and 1.5 billion monthly video views. This approach is in line with RTL Group's digital strategy which has online video at its heart.

Digital

Developing profitable business models for rapidly growing trends in non-linear viewing is one of the most important tasks for RTL Group in the years ahead. RTL Group aims to have a strong presence in all segments of the total video market:

First **extending its premium linear TV content into the non-linear world**. RTL Group channels have quickly succeeded in establishing their own on-demand platforms with catch-up TV services, making their programmes available on all devices – PCs, smartphones, tablets and internet-connected TV sets. Examples include TV Now in Germany, Groupe M6's 6play service in France and RTL XL in the Netherlands. Steep growth rates show that audiences appreciate the service: whenever they miss an episode or show, they can watch it free online. The Group is also branching out into new business models such as subscription-based on-demand services, for example with Videoland Unlimited in the Netherlands.

A second goal in online video is to assume the same leading role in development, production, and distribution of content on digital platforms as the Group already has in the mainstream television world. To achieve this, the Group is identifying and **generating more original content made specifically for digital platforms** ('web originals') – via FremantleMedia's digital content studios in the US, the UK, Germany and Australia, for example. Groupe M6's successful platform Golden Moustache provides a medium for a new generation of talented young comedians.

Moreover, RTL Group aims for a **strong shortform video presence via its own platforms and multi-channel networks (MCNs)**. This is an important opportunity for the Group, as MCNs offer access to global audiences on a significant scale. Over 80 per cent of RTL Group's 11 billion monthly video views are generated outside the Group's core broadcasting territories.

Through key digital investments, RTL Group has become a leader in the YouTube ecosystem. In June 2013, RTL Group acquired a 51 per cent majority stake (on a fully diluted basis) in BroadbandTV. BroadbandTV manages 70,000 partners and achieves around 6.5 billion video views per month. According to Comscore, BroadbandTV is the world's largest MCN[12]. In November 2014, RTL Group increased its shareholding in StyleHaul – the largest fashion beauty and women's lifestyle network on YouTube – to 93.6 per cent.

Further substantial growth of RTL Group's digital revenue will also require **new skills in advertising technology**. In July 2014, RTL Group acquired a 65 per cent majority stake (on a fully diluted basis) in the programmatic video advertising platform, SpotX. The company provides a comprehensive video advertising monetisation service to hundreds of publishers around the globe, who use the platform to maximise revenue for their desktop, mobile and connected TV video advertising inventory while driving down operational costs. Online video advertising is currently the fastest growing digital advertising segment, and is expected to grow globally by 24 per cent per year between 2014 and 2018, driven primarily by programmatic video advertising.

In June 2015, RTL Group founded the RTL Digital Hub to bundle these recent acquisitions. A dedicated team develops the Group's investments in the areas of MCNs and digital advertising investments, particularly BroadbandTV, StyleHaul, SpotX, Clypd and VideoAmp. The RTL Digital Hub will maximise the value of this highly complementary portfolio of digital video businesses to further strengthen RTL Group's leadership position in a high growth market.

12 Based on data for December 2015

Financial review

Revenue

Advertising markets across Europe were largely positive over the course of 2015 despite the mixed macro-economic climate. RTL Group experienced significant variations across the months and quarters of the year making it difficult to predict market trends with any certainty. Nonetheless, all European net TV advertising markets in RTL Group's territories were up or stable year-on-year.

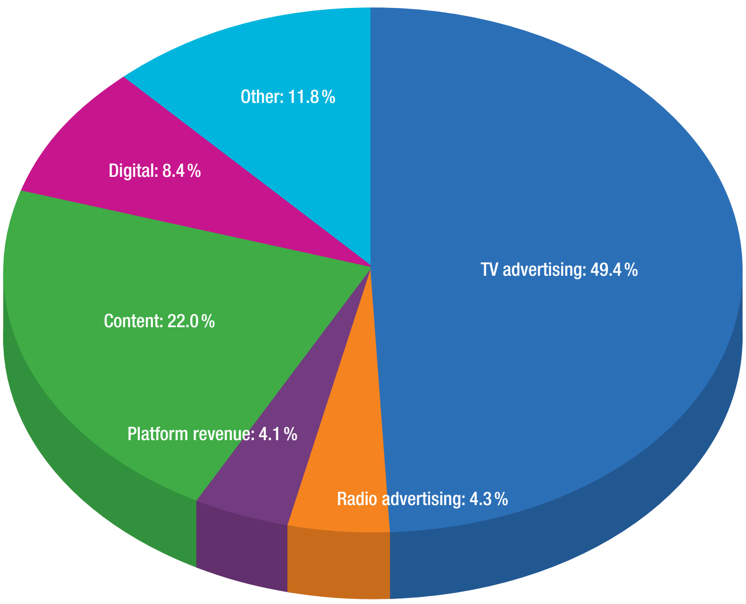
A summary of RTL Group's key markets is shown below, including estimates of net TV advertising market growth rates and the audience share of the main target audience group.

	Net TV advertising market growth rate 2015 (in per cent)	RTL Group audience share in main target group 2015 (in per cent)	RTL Group audience share in main target group 2014 (in per cent)
Germany	+2.0 to 3.0[13]	28.4[14]	29.0[14]
France	+0.5[15]	22.6[16]	22.1[16]
Netherlands	+0.5[13]	32.7[17]	32.4[17]
Belgium	+0.7[13]	36.6[18]	35.2[18]
Hungary	+0.6[13]	36.9[19]	36.6[19]
Croatia	+1.7[13]	27.5[20]	25.0[20]
Spain	+6.4[21]	29.2[22]	30.0[22]

In 2015, revenue was up 3.8 per cent to €6,029 million (2014: €5,808 million), exceeding the €6 billion mark for the first time in the company's history. This result was mainly driven by increasing revenue at Mediengruppe RTL Deutschland, growing digital revenue and favourable exchange rate effects. On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was up 1.5 per cent to €5,710 million (2014: €5,625 million).

RTL Group revenue split

RTL Group's revenue is well diversified with 53.7 per cent from broadcast advertising (TV and radio), 22.0 per cent from content, 8.4 per cent from digital activities, 4.1 per cent from platform revenue and 11.8 per cent other revenue.



13 Industry and RTL Group estimates
14 Source: GfK. Target group: 14–59
15 Source: Groupe M6 estimate
16 Source: Médiamétrie. Target group: housewives under 50 (including digital channels)
17 Source: SKO. Target group: 20–49, 18–24h
18 Source: Audimétrie. Target group: shoppers 18–54, 17–23h
19 Source: AGB Hungary. Target group: 18–49, prime time (including cable channels)
20 Source: AGB Nielsen Media Research. Target group: 18–49, prime time
21 Source: Infoadex
22 Source: TNS Sofres. Target group: 16–54

EBITA and EBITDA

Reported EBITA also reached a new record level and was up 2.0 per cent to €1,167 million (2014: €1,144 million)[23]. The increase is mainly due to significantly higher EBITA contribution from Germany. Reported EBITA margin was slightly down to 19.4 per cent (2014: 19.7 per cent). The Group's EBITDA was €1,360 million for the year (2014: €1,347 million), resulting in an EBITDA margin of 22.6 per cent (2014: 23.2 per cent).

Group operating expenses were up 3.7 per cent to €4,964 million (2014: €4,788 million).

Net debt and cash conversion

The consolidated net debt at 31 December 2015 amounted to €670 million (31 December 2014: net debt of €599 million). The Group intends to maintain a conservative level of gearing of between 0.5 and 1.0 times net debt to full-year EBITDA to benefit from an efficient capital structure.

The Group continues to generate significant operating cash flow with an EBITA to cash conversion ratio of 87 per cent in 2015 (2014: 95 per cent).

Net (debt)/cash position	As at 31 December 2015 €m	As at 31 December 2014 €m
Gross balance sheet debt	(1,129)	(1,104)
Add: cash and cash equivalents and other short-term investments	449	485
Add: cash deposit and others	10	20
Net (debt)/cash position[24]	**(670)**	**(599)**

Further group financials

RTL Group Value Added

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

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

In 2015, RVA was €455 million (2014: €457 million).

23 2014 figures adjusted for changes in purchase price allocation
24 Of which €174 million held by Groupe M6 (as at 31 December 2014: €256 million)

Main portfolio changes

Oxygem

On 9 January 2015 Groupe M6, via its subsidiary M6 Web, acquired the entire share capital of French media group Oxygem. The acquisition of Oxygem allows Groupe M6 to extend the range of topics covered by its websites and will significantly boost its digital presence. Oxygem's websites (including *CuisineAZ.com*, *Passeportsanté.net*, *Radins.com*, *Météocity.com*) are geared towards everyday themes such as cookery, health, consumer tips and bargains, weather, beauty, and slimming and are aimed mainly at women aged under 50.

YoBoHo

On 1 April 2015, BroadbandTV Corp has acquired 87.6 per cent (71.3 per cent on a fully diluted basis) of YoBoHo New Media Private Limited and its subsidiary YoBoHo New Media Inc ("YoBoHo"). RTL Group holds consequently an interest of 50.3 per cent (36.9 per cent on a fully diluted basis). YoBoHo, based in Mumbai, produces kids and family oriented video for distribution across digital platforms.

Clypd

On 8 April and 5 June 2015, RTL Group led the most recent financing round for Clypd, a US-based platform for programmatic advertising sales on linear TV, and now holds a 17.4 per cent minority stake in the company (on a fully diluted basis).

UFA Sports

On 20 April 2015, RTL Group agreed to fully dispose of the interests held in UFA Sports GmbH and its affiliates (Apareo Holding GmbH, its affiliate Apareo Deutschland GmbH and UFA Sports Asia Pte Ltd excluded).

FremantleMedia

In 2015, FremantleMedia continued to bolster creative diversity – organically and by acquisitions. The company made a series of investments, strengthening capabilities and creative talent in the scripted, entertainment and factual genres, and continues to build its content pipeline.

- In January, FremantleMedia acquired a 25 per cent stake in newly formed UK-based **Corona TV**, founded by the award-winning filmmakers Richard Johns and Rupert Jermyn. The deal, which gives FremantleMedia a first look option on all Corona TV output, furthers FremantleMedia's ambition to build its scripted pipeline

- On 7 August, FremantleMedia acquired a majority stake in **Wildside**, one of the most prominent high end drama producers for the Italian and international markets. Wildside is currently producing *The Young Pope*, directed by Academy Award winner Paolo Sorrentino, and starring two time Academy Award nominee Jude Law and Academy Award winner Diane Keaton. FremantleMedia International is distributing the title in the non-partner territories

- On 7 September, FremantleMedia acquired a majority stake in **Fontaram**, a newly formed French scripted company from renowned French producer/writer partners François Aramburu and Pascal Fontanille

- On 11 September, FremantleMedia acquired a 75 per cent stake in Dutch business **No Pictures Please**, a factual programming company owned by popular presenter and producer Ewout Genemans. The company will sit alongside FremantleMedia's entertainment and scripted businesses in the Netherlands, Blue Circle and Four One Media

- On 14 September, FremantleMedia acquired a 25 per cent share in **Naked Entertainment**. The newly formed production company from multi award-winning producer, Simon Andreae, is based in London and will develop original entertainment, and factual entertainment formats, with series and one-off specials

- On 1 October, FremantleMedia acquired a majority stake of 51 per cent **Kwaï**, a French television production company focused on prime-time TV films and series – among them the highly-acclaimed series, *Baron Noir*

- On 23 November, FremantleMedia entered the share capital of **Full Fat TV** and now owns a 25 per cent stake in the factual entertainment and feature format indie set up by Colette Foster, the former MD of Endemol label Remarkable TV

- On 10 December, FremantleMedia invested in **Man Alive Entertainment** and now owns a 25 per cent stake in the company headed by entertainment veteran Justin Gorman. The company will develop and produce large scale entertainment and factual entertainment programming as well as reality, game show and quiz formats

VideoAmp

On 3 November 2015, RTL Group led the Series A investment round for Videoamp Inc, a US-based platform for cross-screen data optimisation founded in 2014. The investment provides RTL Group with a stake of 21.5 per cent (on a fully diluted basis).

Investments accounted for using the equity method

The total contribution of investments accounted for using the equity method amounted to €57 million (2014: €47 million).

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

In 2015 the Group recorded income of €4 million (2014: income of €1 million).

Interest income/(expense)

Net interest expense amounted to €25 million (2014: expense of €23 million) and is primarily due to the interest charge on the Group's financial debt, pension costs and other interest expenses.

Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures

The Group has conducted an impairment testing on the different cash generating units (see note 7.2).

An impairment loss totalling €88 million was recorded in the 2014 statements. No such loss was recorded in 2015. The charge in 2014 was primarily against the goodwill carried by the Group in RTL Hungary.

The impairment and amortisation loss totalling €6 million solely relates to the amortisation and impairment of fair value adjustments on acquisitions of subsidiaries, net of any reversals.

Income tax expense

In 2015, the tax expense was €300 million (2014: expense of €287 million).

Profit attributable to RTL Group shareholders

The profit for the period attributable to RTL Group shareholders was €789 million (2014: €652 million).

Earnings per share

Reported earnings per share, based upon 153,589,269 shares, was €5.14 (2014: €4.25 per share based on 153,584,102 shares).

Own shares

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

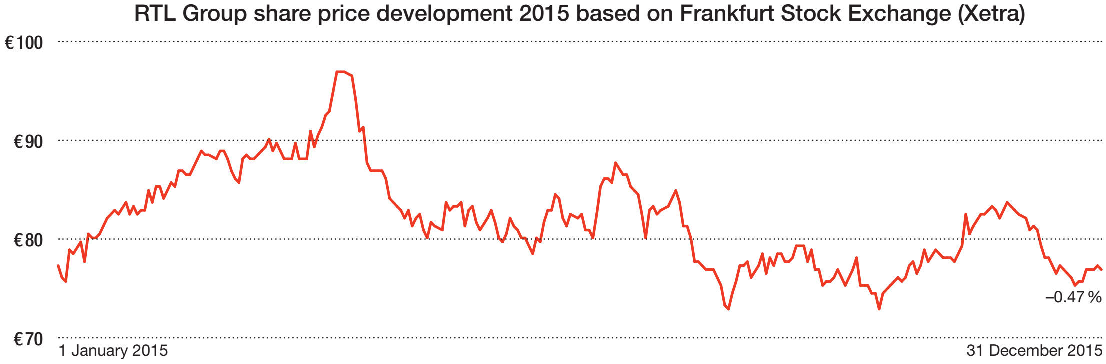
RTL Group directly and indirectly holds 0.8 per cent (2014: 0.8 per cent) of RTL Group's shares.

Profit appropriation (RTL Group SA)[25]

The statutory accounts of RTL Group show a profit for the financial year 2015 of €565,205,027 (2014: €328,520,730). Taking into account the share premium of €4,691,802,190 (2014: €4,691,802,190) and the profit brought forward of €125,525,131 (2014: €649,053,229), the amount available for distribution is €5,227,966,107 (2014: €5,360,326,317), net of an interim dividend of €154,566,241 (€1.00 per share) as decided by the Board of Directors of RTL Group on 26 August 2015 and paid on 10 September 2015 (2014: €309,049,832 i.e. €2.00 per share).

Capital markets and share

RTL Group share price development 2015 based on Frankfurt Stock Exchange (Xetra)



RTL Group's share price started and finished the year at around €77.00 per share, with substantial volatility during the intervening months, as shown in the chart above. The peak share price was €96.85 (14 April) while the low point came on 24 August at €72.40 – 25 per cent below the peak of four months earlier.

2015 was a year where RTL Group's share price was significantly impacted by global economic woes, European Central Bank intervention and debate on when, or even if, the US Federal Reserve would raise US interest rates. The Greek financial and political crisis, which dragged on for months, rolled into 2015

25 Amounts in Euro except where stated

from the end of 2014 and was only resolved – following snap elections and a referendum – in September. Slower Chinese growth put a major strain on stock markets in the summer and towards the end of the year, and this issue looks set to remain a concern during 2016. In August, RTL Group's share price was dented by fears around US media stocks.

The Group declared and paid dividends in both April and September 2015. The April payment of €3.50 (gross) per share related to the 2014 full-year ordinary dividend of €2.50 per share plus an extraordinary dividend of €1.00 per share. In September the Board decided to make an extraordinary interim dividend payment of €1.00 per share. The total cash paid out in 2015 with respect to RTL Group's dividends amounted to €691 million.

Analysts' view

Looking at the analyst notes published and shared with RTL Group during the period from 27 August 2015 (publication of half year results) to 31 December 2015, 28 per cent of analysts rated the shares as a 'buy', 56 per cent rated the shares as a 'hold' and 16 per cent had a 'sell' recommendation on the stock. Looking at published target prices at the end of the year, the average was €87.28. This compared to €82.55, over the same period at the end of 2014.

Recommendations by financial analysts play an important role in helping investors make decisions. In 2015, a total of 23 brokerage firms and financial institutions analysed the share and published research reports known of by the Group.

Dividend policy

RTL Group's dividend policy, which was amended in 2013 ahead of the Group's re-IPO, now states that the Group will pay out between 50 and 75 per cent of the adjusted net result.

The adjusted net result is the reported net result available to RTL Group shareholders, adjusted for significant one-off items (both positive and negative). The Group reports its adjusted net result at the time of its full-year results announcement.

The Group intends to maintain or, where possible, to have a progressive ordinary dividend over time.

As well as the ordinary dividend, the Board also considers, twice a year, whether there is a chance to pay additional dividends to shareholders in the form of extraordinary dividends. The ability to pay extraordinary dividends depends on the Group's financial capacity – noting that the Group aims to have a balance sheet efficiency of between 0.5 and 1.0 times net debt to EBITDA – and the amount of cash earmarked for further growth opportunities.

RTL Group's shareholder return

RTL Group defines its Total Shareholder Return (TSR) as the sum of the share price development and the dividend paid over a set time frame, assuming that the share has been held for this full period.

The table below summarises TSR based on five years (since 2011), three years (since 2013) and one year (2015):

	2011	2013	2015
Share price as of 1 January in €	75.00	75.50	77.80
Closing share price as of 31 December 2015 in €	–	–	77.05
Cumulative dividends paid (including intervening years and extraordinary dividends) in €	34.10	24.00	4.50
Total shareholder return in per cent	48.2	33.8	4.8

The TSR has been calculated as follows (using 1 January 2011 as an example):

$$\text{TSR} = \frac{[\text{Closing share price at 31 December 2015}]+[\text{cumulative dividends paid from 1 January 2011 until 31 December 2015}]}{[\text{Share price as of 2011}]}$$

$$\text{TSR} = \frac{€77.05 + €34.10}{€75.00} - 1 = 48.2\,\%$$

Review by segments

Revenue	Year to December 2015 €m	Year to December 2014[26] €m	Per cent change
Mediengruppe RTL Deutschland	2,140	2,047	+4.5
Groupe M6	1,254	1,295	(3.2)
FremantleMedia	1,524	1,486	+2.6
RTL Nederland	490	457	+7.2
RTL Belgium	200	199	+0.5
RTL Radio (France)	168	166	+1.2
Other segments	478	360	+32.8
Eliminations	(225)	(202)	–
Total revenue	**6,029**	**5,808**	**+3.8**

EBITA	Year to December 2015 €m	Year to December 2014[26] €m	Per cent change
Mediengruppe RTL Deutschland	684	650	+5.2
Groupe M6	205	209	(1.9)
FremantleMedia	103	113	(8.8)
RTL Nederland	101	103	(1.9)
RTL Belgium	45	46	(2.2)
RTL Radio (France)	24	21	+14.3
Other segments	6	2	–
Eliminations	(1)	–	–
Reported EBITA	**1,167**	**1,144**	**+2.0**

EBITA margins	Year to December 2015 per cent	Year to December 2014[26] per cent	Percentage point change
Mediengruppe RTL Deutschland	32.0	31.8	+0.2
Groupe M6	16.3	16.1	+0.2
FremantleMedia	6.8	7.6	(0.8)
RTL Nederland	20.6	22.5	(1.9)
RTL Belgium	22.5	23.1	(0.6)
RTL Radio (France)	14.3	12.7	+1.6
RTL Group	**19.4**	**19.7**	**(0.3)**

26 2014 figures adjusted for changes in purchase price allocation

Mediengruppe RTL Deutschland

Financial results

In 2015, the German net TV advertising market was estimated to be up between 2.0 per cent and 3.0 per cent. Mediengruppe RTL Deutschland's revenue increased by 4.5 per cent to €2,140 million (2014: €2,047 million), mainly driven by higher TV advertising revenue and the growing diversification business. Accordingly, EBITA was up significantly by 5.2 per cent to €684 million (2014: €650 million).

	Year to December 2015 €m	Year to December 2014 €m	Per cent change
Revenue	2,140	2,047	+4.5
EBITDA	701	665	+5.4
EBITA	684	650	+5.2

Audience ratings

During the reporting period, the combined average audience share of **Mediengruppe RTL Deutschland**'s channels was 28.4 per cent (2014: 29.0 per cent) in the target group of viewers aged 14 to 59. The German RTL family of channels remained ahead of its main commercial competitor ProSiebenSat1 by 1.7 percentage points.

With an audience share of 12.2 per cent in the target group of viewers aged 14 to 59 in 2015 (2014: 12.7 per cent), **RTL Television** was the viewers' number one choice for the 23rd consecutive year – 2.7 percentage points ahead of the second highest rated channel, Sat1. Additionally, RTL Television was once again the only channel to score a double-digit audience share in this demographic.

The most-watched broadcast on RTL Television in 2015 was the European Qualifier between Germany and Georgia on 11 October 2015, which attracted an average 12.7 million viewers – an average audience share of 36.6 per cent among viewers aged 14 to 59. Also popular were the boxing matches of Wladimir Klitschko. An average 39.0 per cent of the target group of viewers aged 14 to 59 tuned in to the match against Tyson Fury on 15 November. The comedy show *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity – Get Me Out Of Here!) scored excellent audience figures. The show, which was broadcast daily between 15 and 31 January 2015, attracted an average 6.82 million viewers – an average audience share of 35.9 per cent in the target group of viewers aged 14 to 59 (2014: 39.5 per cent). The two big talent shows *Das Supertalent* (Got Talent) and *Deutschland sucht den Superstar* (Idols) increased their respective audience shares year-on-year, with *Das Supertalent* scoring an average audience share of 21.8 per cent among viewers aged 14 to 59 (2014: 20.1 per cent), while *Deutschland sucht den Superstar* recorded an audience share of 19.0 per cent (2014: 18.8 per cent). Also popular was *Wer wird Millionär?* (Who Wants To Be A Millionaire?) which reached an average 5.39 million total viewers – an average audience share of 14.8 per cent in the target group. *RTL Aktuell* was again Germany's most popular news programme among viewers aged 14 to 59, with an average audience share of 16.8 per cent.

In 2015, **Vox** recorded an average audience share of 6.6 per cent among viewers aged 14 to 59 (2014: 6.7 per cent). The newly launched *Club der roten Bänder* – the first fiction series commissioned by Vox – was a stand-out hit right from the start. It scored an average audience share of 11.6 per cent in the target group and was awarded several German TV Awards such as "Deutscher Fernsehpreis" in the category "best serial drama". Vox looks set to achieve new records with its established programmes. The second season of *Sing meinen Song – Das Tauschkonzert* with Xavier Naidoo attracted an average 11.0 per cent among viewers aged 14 to 59 (2014: 9.1 per cent). *Die Höhle der Löwen* scored an average 10.2 per cent in the target group (2014: 8.9 per cent), while *Grill den Henssler,* with master chef Steffen Henssler, was watched by an average 8.1 per cent of the viewers aged 14 to 59 (2014: 7.7 per cent). US series continued to be popular on Vox, with the first season of *Outlander* attracting an average 9.2 per cent of the target group.

RTL Nitro attracted an average 1.8 per cent of the target group of viewers aged 14 to 59 (2014: 1.6 per cent) – the best audience share since its launch in 2012 – and 2.1 per cent of male viewers of the same age (2014: 1.7 per cent). The male focused RTL Nitro remained the most successful digital free-to-air-channel of the third and fourth generation in the target group. Up to 2.57 million viewers saw the most popular programme of 2015: a conference circuit of two football matches of the European Qualifiers for an audience share of 6.1 per cent of the target group.

RTL II recorded an average audience share of 5.2 per cent among viewers aged 14 to 59 (2014: 5.4 per cent). Once again, the access prime time formats *Berlin – Tag & Nacht* and *Köln 50667* were among the channel's most popular shows, attracting average audience shares of 7.7 and 6.7 per cent respectively among viewers aged 14 to 59. *Die Reimanns – Ein außergewöhnliches Leben* remained popular, with an audience share of 7.2 per cent, while *Die Geissens – Eine schrecklich glamouröse Familie* achieved an audience share of 5.8 per cent. The hit series *Game Of Thrones* and *The Walking Dead* have become an integral part of RTL II programming. The free-TV premiere of the fourth season of *Game Of Thrones* attracted an audience share of 6.6 per cent at the beginning of the year, while the fifth season of

"Both linear TV and online video were growth drivers for the German advertising market. Thanks to our attractive video offer, Mediengruppe RTL Deutschland profited largely from this. We will continue to produce and aggregate unique high quality content on our platforms. Thanks to a high share of own productions, we have a clear advantage over our competition."

ANKE SCHÄFERKORDT

CO-CEO, RTL Group;

CEO, Mediengruppe RTL Deutschland

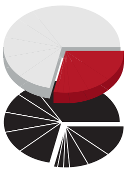
The Walking Dead scored a 7.2 per cent audience share in November.

Super RTL remained the most popular commercial children's channel in Germany, with an audience share of 19.3 per cent in the target group of 3 to 13-year-olds during the 6:00 to 20:15 time slot (2014: 19.7 per cent), behind the public channel Kika (20.1 per cent), but ahead of Nick (9.2 per cent) and the Disney Channel (9.5 per cent). Prime-time movies proved particularly popular. The most-watched movie on Super RTL was *Madagascar 2* which attracted 5.1 per cent of viewers aged 14 to 59.

The news channel **N-TV** attracted 1.0 per cent of viewers aged 14 to 59 (2014: 1.0 per cent), with the channel's morning business coverage continuing to be popular. The channel recorded an average audience share of 1.7 per cent of the target group on weekdays between 6:00 and 12:00.

National audience breakdown

Source: GfK. Target: 14–59



	2015 (%)
RTL Television	**12.2**
Vox	**6.6**
RTL II	**5.2**
Super RTL	**1.6**
RTL Nitro	**1.8**
N-TV	**1.0**
Sat 1	9.5
Pro 7	8.4
ARD	7.7
ZDF	7.7
Kabel 1	5.1
Others	33.2

Digital and diversification activities

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

Mediengruppe RTL Deutschland's family of catch-up services – combined with the clip portal *Clipfish.de*, the Clipfish HbbTV channels and the unit's channel and thematic websites – recorded a total of 1,142 million video views of professionally produced content (2014: 1,090 million). 21 per cent of video views were generated on mobile devices (2014: 21 per cent). Overall in 2015 the online offerings of Mediengruppe RTL Deutschland reached an average of 27.1 million unique users aged 10 and above per month (2014: 26.2 million). The channels of Mediengruppe RTL Deutschland generated plenty of attention in the world of social networks, with a total of around 27 million fans for the channels' and shows' fan pages on Facebook. RTL II's *Berlin – Tag und Nacht* is the most-liked German TV show on Facebook, with more than 3 million likes.

In April 2015, RTL Interactive launched a free video platform for comedy content: *ComedyRocket.de*. The new platform offers an entertaining mix of professional content produced exclusively for online consumption, including localised sketches produced by M6 comedy platform Golden Moustache and comedy clips from the video portal Clipfish.

In April 2015, Super RTL launched Kividoo, the first German-language subscription video-on-demand offer for children.

In October, Mediengruppe RTL Deutschland launched RTL Next, an online offer for short-form video content.

Finally, Mediengruppe RTL Deutschland increased its licensing activities, signing new commercial agreements with, among others, Apassionata, the football club FC St. Pauli and the knowledge magazine Yps; and expanded its ticketing business with a new commercial agreement with CTS Eventim.

Groupe M6

Financial results

The French TV advertising market was estimated to be up 0.5 per cent compared to the previous year with Groupe M6's channels outperforming the market. However, Groupe M6's revenue was down to €1,254 million in 2015 (2014: €1,295 million), mainly due to the scope effect of Mistergooddeal which was sold in March 2014 and lower diversification revenue. EBITA decreased to €205 million (2014: €209 million), primarily due to lower contribution from diversification activities (home-shopping operations; football club Girondins de Bordeaux and others).

	Year to December 2015 €m	Year to December 2014 €m	Per cent change
Revenue	**1,254**	1,295	(3.2)
EBITDA	**325**	327	(0.6)
EBITA	**205**	209	(1.9)

Audience ratings

Groupe M6's combined audience share was slightly up to 22.6 per cent in the key commercial target group of women under 50 responsible for purchases (2014: 22.1 per cent) as higher audience shares from W9 and 6ter more than compensated for a slightly lower audience share of M6.

M6 confirmed its status as the second most-watched channel in France among women under 50 responsible for purchases, scoring an average audience share of 15.4 per cent in 2015 (2014: 15.9 per cent). In terms of total audience share, M6 remained the third most popular channel in France for the fifth consecutive year with an audience share of 9.9 per cent (2014: 10.1 per cent).

M6 launched several new programmes like *The Island* or *Flat Hunters* and continued to develop its major brands. The fourth season of *Le Meilleur Pâtissier* was watched by an average 24.7 per cent of the target group, while the sixth season of *Top Chef* achieved an average audience share of 20.9 per cent. As for *L'Amour est dans le pré,* the 10th season was still a hit with 5 million viewers and an audience share of 32.3 per cent in the target group (2014: 34.6 per cent). The renewed evening news programme *Le 19.45* was the second most popular news show among women under 50 responsible for purchases, with an average audience share of 20.9 per cent (2014: 22.6 per cent), while *Scènes de Ménages* remained the most popular TV show in access prime time.

W9 remained the leading prime-time DTT channel in France among women under 50 responsible for purchases, attracting an average audience share of 3.8 per cent (2014: 3.6 per cent). Underlining its positioning as a 'mini-generalist' channel, W9 scored high ratings in various genres, including movies, magazines, factual entertainment formats, reality TV shows and live broadcasts of Uefa Europa League football matches. W9 beat the record for digital terrestrial TV with the broadcast of the Women's Fifa World Cup quarter-final match between France and Germany: 4.1 million viewers tuned in for the match in June.

6ter recorded the strongest growth among all TV channels in France, reaching an audience share of 2.1 per cent among women under 50 responsible for purchases – up from 1.3 per cent. *Iron Man* was the channel's most-watched broadcast in 2015 with an average 858,000 viewers and an audience share of 4.9 per cent in the target group.

"Despite a sluggish economic environment and a competitive market, 2015 was an ambitious and expanding year for Groupe M6. In a vibrant dynamic, we once again showed imagination and inventiveness to develop new tools, allowing us to look to the future with confidence and serenity."

NICOLAS DE TAVERNOST
Président du Directoire, Groupe M6

Digital and diversification activities

In 2015 M6 Web remained strong: the subsidiary recorded 1.2 billion online video views across its network (2014: 1.0 billion). The integration of Oxygem, acquired in January 2015, made Groupe M6 the leading French TV Group online with 14 million unique visitors per month (2014: 11 million per month)[27].

In November 2015, M6 Web launched a new version of 6play, its digital entertainment platform. Available on all platforms (web, smartphones, tablets, IPTV) and working with state-of-the-art recommendation systems, this new version offers an immersive and personalised TV viewing experience with relevant content suggestions for every single user. By the end of 2015, 6play had recorded more than 900 million online videos views.

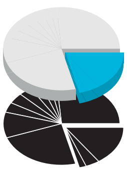
The multi-channel network Golden Moustache beat the odds by producing a film of cinema quality, *Les Dissociés*, which recorded nearly 3 million views. Within a very competitive market, The M6 Mobile by Orange service remained stable, with 2.8 million customers.

2015 was a record year for M6 Films with more than 20 million admissions. Seven films co-produced by M6 Films were placed in the French Top 10 and *Les Nouvelles Aventures d'Aladdin* was the most-watched French film of the year in France (more than 4.5 million tickets sold). The release schedule was less favourable for the films distributed by SND. Nevertheless, the year was notable for the success of *Divergente 2* at the box-office (2.4 million admissions) and SND ranked as the third French film distributor.

Ventadis saw its sales fall due to a decline in its home shopping operations. The losses of FC Girondins de Bordeaux, which ended the French championship in sixth place, were due in particular to investments made in the club's players.

National audience breakdown

Source: Médiamétrie. Target: women < 50 responsible for purchases 2015 (%)



M6	15.4
W9	3.8
6ter	2.1
TF1	23.4
France 2	9.8
D8	4.1
France 3	4.0
TMC	3.6
NT1	3.2
Canal Plus	2.4
France 4	2.0
Others	26.2

27 Source: Mediamétrie-Nielsen Netratings, December 2015 excluding mobile usage

FremantleMedia

Financial results

Revenue of FremantleMedia – RTL Group's content production arm – increased to €1,524 million in 2015 (2014: €1,486 million), mainly due to favourable exchange rate effects, offsetting the effects of the disposal of Radical Media. EBITA decreased to €103 million (2014: €113 million), reflecting the reduction in *American Idol* and increased investment in the creative pipeline.

	Year to December 2015 €m	Year to December 2014 €m	Per cent change
Revenue	1,524	1,486	+2.6
EBITDA	125	149	(16.1)
EBITA	103	113	(8.8)

FREMANTLEMEDIA FREMANTLEMEDIA NORTH AMERICA 495 Original Productions FREMANTLEMEDIA UK UFA FREMANTLEMEDIA AUSTRALIA blue circle ludía blu MISOFILM WILDSIDE Kwai

Production business

In 2015, 10,313 hours of FremantleMedia produced content aired worldwide, up 2.2 per cent year-on-year (2014: 10,094 hours). FremantleMedia's global network of production companies was responsible for rolling out more than 57 formats and airing 375 productions worldwide (2014: 341). The business also distributed more than 20,000 hours of content in over 200 territories, making FremantleMedia one of the world's largest creators and distributors of award-winning international programme brands.

Non-scripted

The ninth season of *Britain's Got Talent* was ITV's highest rated series of 2015, watched by an average audience of 10.5 million viewers, and had an average share of 51.1 per cent in the target group of viewers aged 16 to 34, 217 per cent higher than the channel's prime time average. Returning for its tenth season in 2015, *America's Got Talent* was the number one summer show across all US networks, attracting an average audience of 12.4 million viewers and an audience share of 10.3 per cent in the target group of viewers aged 18 to 49. Aired on AXN, the premiere of *Asia's Got Talent* topped ratings among English pay-TV channels across Southeast Asia (Malaysia, Singapore and the Philippines).

Some 19 versions of *The X Factor* were broadcast in 2015. There were 14 international versions of *Idols* in 2015, including *American Idol*, which remained the number one entertainment series on Fox, with an average audience share of 8.9 per cent among viewers aged 18 to 49, exceeding the channel's prime-time average by 62 per cent.

The Price Is Right remained popular, ranking as the leading daytime entertainment show in the US, with an average audience of 5.2 million viewers and an average audience share of 6.7 per cent in the target group of viewers aged 18 to 49. *Family Feud* continued to grow season-on-season, with the game show achieving its highest ratings in over 20 years in the US with an average household rating[28] of 6.2 per cent for the 2014/15 season (2013/14: 5.0 per cent). Newly launched on ABC, *Celebrity Family Feud* was the highest rated new entertainment series in the US for 2015, watched by an average of 9.4 million viewers and winning an audience share of 9.5 per cent in the target group of viewers aged 18 to 49, 38 per cent higher than ABC's prime time average.

28 Total number of households watching the show expressed as a percentage of the total TV household population

"Our focus in 2015 has been on increasing our creative diversity and investment to deliver improved revenues in the future. We've been very active in the M&A arena with new investments and partnerships across scripted, entertainment and factual. We look forward to building on this success in 2016."

CÉCILE FROT-COUTAZ
CEO, FremantleMedia

The Farmer Wants A Wife continues to be the world's most popular dating show, with local versions airing in 17 markets in 2015. In France the tenth series of *L'amour est dans le pré* was M6's highest rated entertainment show for the seventh consecutive year, attracting an average audience share of 32.3 per cent in the target group – almost 90.0 per cent above the channel's average. Local versions were also popular in Germany (*Bauer sucht Frau*) and the Netherlands (*Boer zoekt Vrouw*), where it remains the country's highest rated show.

La Banda, a new music reality competition developed by FremantleMedia, Syco Entertainment and Saban Brands Univision Network launched on the US channel Univision in September 2015. The show attracted an average audience of 2.42 million viewers in the target group of Hispanic individuals and a total Hispanic audience share of 14.9 per cent – up 19 per cent above Univision's average audience share in this slot.

Scripted

UFA Fiction's *Deutschland 83* became the first German-language series to air on a US channel, airing on Sundance TV during summer 2015, where it doubled the timeslot average. FremantleMedia International sold the drama series to a total of 20 channels and platforms, including Canal Plus (France), Channel Four (UK), Channel One (Russia), Sky Italia (Italy), Hulu (US), RTL Klub (Hungary) and Hotvision (Israel).

In the UK, the second season of *Birds of a Feather* won an average audience of 5.0 million viewers and an audience share of 13.3 per cent share in the target group of viewers aged 16 to 34, making it ITV's second highest rated sitcom of 2015. The third season of *Wentworth* consistently ranked as the number one show of the night across subscription TV in Australia.

Number of hours broadcast

Programmes	2015	2014
New	**2,125**	3,194
Returning	**8,188**	6,900
Total	**10,313**	10,094

Across Scandinavia, Miso Films' *Acquitted* (Frikjent) aired in Norway, with an average audience share of 35.9 per cent, 53 per cent higher than TV2's prime-time average. In Sweden, *Modus* attracted an average audience share of 29.1 per cent in the target group of 12 to 50-year-olds – 40 per cent above TV4's prime-time average.

Long running daytime scripted shows continue to perform well. *Gute Zeiten, Schlechte Zeiten* was once again Germany's highest rated daily drama of the year with an average 2.7 million viewers and an average audience share of 14.7 per cent in the target group of viewers aged 14 to 59. In Australia, long running daily drama *Neighbours* again ranked first in its time slot across all digital free-to-air channels, attracting an average audience share of 11.2 per cent in the target group of viewers aged 16 to 39 – more than twice channel Eleven's average.

Kids & Family Entertainment

Launched on 28 September 2015 on CBBC in the UK, *Danger Mouse* attracted an average audience of 0.3 million viewers and an audience share of 11.4 per cent among children aged 6 to 12. *Danger Mouse* was the highest rated animated series on CBBC for 2015 and CBBC's highest rated animated series launch since January 2013. The series is also scheduled to launch on Netflix in 2016.

Digital

Europe's leading multi-channel network, Divimove, attracted over 1.5 billion views a month and had 135 million subscribers across its 1,300 digital influencers in Germany, Spain, the Netherlands, Italy, Poland and France. The talent network currently has more than 250 million social media fans.

FremantleMedia's YouTube presence continued to reach new heights throughout 2015:

- FremantleMedia content had 13.5 billion views in 2015 (2014: 9.0 billion) and 27.4 million subscribers (2014: 20 million)

- FremantleMedia now has more than 230 YouTube channels, 44 of which launched in 2015

In April 2015, Ludia launched *Jurassic World: The Game* – the biggest launch in the studio's history – which generated 24 million downloads around the world during 2015. Ludia's games were downloaded 80 million times during the year.

In April 2015, FremantleMedia UK launched its digital label Shotglass Media which sits alongside FremantleMedia UK's labels Talkback, Thames, Retort, Boundless, Newman Street and Euston Films. Shotglass creates innovative digital experiences for fans and brands. Its network of football fan channels, *The Football Republic*, experienced tremendous growth in 2015 gaining nearly 15 million views per month.

The number of advertiser deals closed by FremantleMedia increased 50 per cent year-on-year. In 2014, the company did 271 deals and in 2015 that figure grew to more than 404 key deals included an on and off-air project with Qantas Airlines called *Ready For Takeoff*.

RTL Nederland

Financial results

The Dutch TV advertising market was estimated to be up 0.5 per cent year-on-year. RTL Nederland's revenue was up 7.2 per cent year-on-year to €490 million (2014: €457 million), mainly driven by higher platform and advertising revenue. EBITA was slightly down to €101 million (2014: €103 million), reflecting start up losses in video on demand, and the termination of the Sizz partnership with Vodafone in 2014.

	Year to December 2015 €m	Year to December 2014 €m	Per cent change
Revenue	**490**	457	+7.2
EBITDA	**111**	110	+0.9
EBITA	**101**	103	(1.9)

Audience ratings

During the reporting period, RTL Nederland's channels reached a combined prime-time audience share of 32.7 per cent in the target group of viewers aged 20 to 49, slightly up from 32.4 per cent in 2014. RTL Nederland's channels remained clearly ahead of the public broadcasters (24.0 per cent) and the SBS group (20.9 per cent).

RTL Nederland's flagship channel, RTL 4, scored an average prime-time audience share of 19.4 per cent in the target group of shoppers aged 20 to 49 (2014: 19.3 per cent). RTL 4 retained its very strong position with the talent theme, including shows such as *The Voice Of Holland* (average audience share: 42.6 per cent) and *Dance Dance Dance* (31.0 per cent). On Sundays, RTL 4 scored with drama series such as *Familie Kruys* (29.5 per cent), *Divorce* (28.3 per cent) and *Zwarte Tulp* (19.9 per cent). The channel's access prime-time line-up – which includes *RTL Boulevard*, *Goede Tijden, Slechte Tijden* and *RTL Nieuws* – delivered strong ratings once again.

RTL 5's prime-time audience share remained stable at 6.4 per cent in its key target group of viewers aged 20 to 34 (2014: 6.4 per cent). Once again, Dutch productions were the most popular programmes on the channel. On Thursdays *Expeditie Robinson* performed very well with an average share of 31.9 per cent – the best audience share for the show since 2010.

The men's channel RTL 7 scored an average prime-time audience share of 6.5 per cent among male viewers aged 20 to 49 (2014: 6.6 per cent). Popular programmes included the Darts World Cup 2015 in January with an average audience share of 24.4 per cent, and Uefa Europa League football matches. 37.9 per cent of target viewers tuned in to the match between Feyenoord Rotterdam and AS Roma on 26 February 2015.

The average prime-time audience share of the women's channel RTL 8 remained stable at 3.5 per cent among women aged 20 to 49 (2014: 3.5 per cent). Crime series such as the *CSI* franchise and *Bones* were performing strongly on Saturday and Sunday nights. The most watched movie was *Terminal* with an audience share of 10.9 per cent in the target group.

The newest channel in RTL Nederland's portfolio, the free-to-air news channel, RTL Z, launched on 7 September 2015. With not 100 per cent distribution yet, the share in the upper social status aged 25 to 59 was 0.4 per cent. *Undercover Boss* was the most-watched programme with an average audience share of 1.5 per cent.

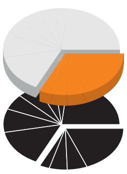
"After a difficult first half year, we managed to catch up in the second half of 2015. As the result of a slight market growth, the stable performance of our channels and higher distribution revenues we were able to maintain our profit levels. We have continued to invest in our broad and innovative strategy where we connect with our consumers 24/7 with relevant content."

BERT HABETS

CEO, RTL Nederland

National audience breakdown

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



	2015 (%)
RTL 4	18.9
RTL 5	5.6
RTL 7	5.0
RTL 8	2.9
Nederland 1	14.6
SBS 6	9.3
Nederland 3	6.0
Veronica	5.8
Net 5	5.2
Nederland 2	3.4
Others	23.3

Digital and diversification activities

RTL Nederland's platforms and partners generated a total number of 857 million video views[28] in 2015 – up 29 per cent from 763 million in 2014. The most popular formats were *Goede Tijden, Slechte Tijden*, *The Bold And The Beautiful*, *RTL Nieuws* and *RTL Late Night*. 62 per cent of these online video views were generated via mobile devices (2014: 48 per cent).

With an average reach of nearly 60 million video views per month, RTL MCN was the fastest growing multi-channel network in 2015 in the field of premium content creators and multi-screen formats in the Netherlands.

Couverts, the online table reservation portal owned by RTL Ventures, strengthened its position as market leader with the takeover of the online restaurant guide, Dinnersite.

In February, SpotX and RTL Nederland announced the launch of a company for the Benelux region.

In March, RTL Ventures acquired a 34.8 per cent stake in *Reclamefolder.nl* – the largest platform for mobile advertising brochures and offers in the Netherlands. In 2014, *Reclamefolder.nl* was the country's third most-used e-commerce app.

In April, RTL Nederland took full ownership in the video-on-demand platform Videoland (The Entertainment Group BV).

RTL Nederland took over tech platform Bright in April.

In August, RTL Ventures announced the takeover of Dutch Learning Company (DLC). It has increased its stake in e-learning business DLC from 79 per cent to 100 per cent.

In December, RTL Nederland and Triade Media joined forces for the sale of advertising time and branded content for a wide range of national and international special-interest channels in the Netherlands.

28 Playlist starts

RTL Belgium

Financial results

Against the background of a TV advertising market that was estimated to be up 0.7 per cent year-on-year, RTL Belgium's revenue was up by 0.5 per cent to €200 million (2014: €199 million) due to higher sales house contributions. EBITDA was slightly below the previous year at €45 million (2014: €46 million), reflecting higher costs in RTL Belgium's TV and radio business during the reporting period.

	Year to December 2015 €m	Year to December 2014 €m	Per cent change
Revenue	200	199	+0.5
EBITDA	50	50	–
EBITA	45	46	(2.2)

Audience ratings

RTL Belgium's family of TV channels grew its combined prime-time audience share to 36.6 per cent among shoppers aged 18 to 54 (2014: 35.2 per cent), maintaining its position as the market leader in French-speaking Belgium. RTL Belgium extended its lead over the public channels, reaching 17.6 percentage points (2014: 14.7 percentage points).

The flagship channel **RTL-TVI** recorded an audience share of 26.2 per cent in prime time among shoppers aged 18 to 54 (2014: 25.5 per cent) – 10.4 percentage points ahead of the number two channel, French broadcaster TF1, and 12.3 percentage points ahead of the Belgian public broadcaster La Une. The most watched programme of the year on RTL-TVI was the evening news, *RTL Info*, which scored an average total audience share of 41.5 per cent. Also popular were *Top Chef,* with an average audience share of 32.5 per cent in the target group of shoppers aged 18 to 54, the seventh season of *L'amour est dans le pré* (The Farmer Wants A Wife) with an average audience share of 39.0 per cent, and the Belgian humorist François Pirette's show, with an average audience share of 35.0 per cent. 2015 was also marked by the launch of a large number of new own productions, across all time slots, including the Sunday morning current affairs show *C'est pas tous le jours dimanche*, daytime talk show *De quoi je me mêle!*, docusoaps *Expedition Pairi Daiza* and *Face au juge*, and the entertainment format *Vu à la télé* (Gogglebox) in access prime time.

"In 2015, a full range of new formats were successfully launched on all of our TV channels. This creative push is continuing in 2016 in order to ensure RTL Belgium's long term success."

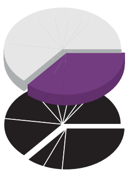
PHILIPPE DELUSINNE
CEO, RTL Belgium

Club RTL recorded an audience share of 6.2 per cent among male viewers aged 18 to 54 (2014: 6.9 per cent). Football remains one of the most popular broadcasts on the channel through a wide choice of matches and competitions (Champions League, Europa League and the new acquisition: the Belgian Cup). The 2015 Champions League broadcasts attracted an average 19.7 per cent of men aged 18 to 54. **Plug RTL** reported a prime-time audience share of 7.3 per cent among 15 to 34-year-old viewers (2014: 4.9 per cent), the best annual performance since the launch of the channel in 2004. The most popular programmes were talk show *Touche pas à mon poste* (10.6 per cent) and *Secret Story* (24.1 per cent).

According to the CIM audience surveys for 2015, combining all three waves of 2015, **Bel RTL** and **Radio Contact** achieved audience shares of 14.4 and 15.0 per cent respectively (2014: 13.9 and 15.3 per cent respectively), among listeners aged 12 years and over. In September 2015, Bel RTL launched a TV version of its programmes available through cable networks.

French-speaking Belgium audience breakdown

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



	2015 (%)
RTL-TVI	**26.2**
Club RTL	**5.2**
Plug RTL	**5.2**
TF1	15.8
La Une	13.9
AB 3	6.0
France 2	5.2
La Deux	5.1
France 3	2.2
Others	15.2

Digital and diversification activities

In 2015, the number of video views across RTL Belgium's websites increased to 130 million (2014: 117 million), driven by news, football content and major TV shows. The number of daily visitors to *RTL.be* increased to 287,965 (2014: 266,741). RTL Info is the leading French-speaking news application, with a daily average of 45,700 unique users. Mobile currently represents 57 per cent of RTL Info's traffic. RTL Belgium deployed the OTT version of its SVOD service, RTL a l'infini, in autumn 2015.

RTL Radio (France)

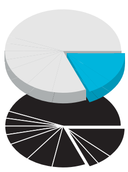
Financial results

Throughout 2015, the net radio advertising market in France was estimated to be down 1.2 per cent compared to the same period in 2014. Despite this, total revenue of the French RTL Radio family increased to €168 million (2014: €166 million), while EBITA grew to €24 million (2014: €21 million), mainly reflecting slightly higher advertising revenue and a lower cost base.

	Year to December 2015 €m	Year to December 2014 €m	Per cent change
Revenue	**168**	166	+1.2
EBITDA	**28**	25	+12.0
EBITA	**24**	21	+14.3

National audience breakdown

Source: Médiamétrie. Target: 13+ — 2015 (%)



	2015 (%)
General-interest radio networks	
RTL	**11.7**
France Inter	9.6
Europe 1	7.5
Music radio networks targeting young listeners	
Fun Radio	**4.4**
NRJ	7.1
Skyrock	3.3
Music radio networks targeting adults	
RTL 2	**2.6**
Nostalgie	3.9
RFM	3.2
Chérie FM	2.8
Other radios	43.9

Audience ratings

The French **RTL Radio** family maintained its audience leadership. With a combined average of 18.8 per cent (2014: 18.0 per cent), the three radio stations RTL Radio, RTL 2 and Fun Radio continued to lead over their main commercial competitors – the radio families of NRJ (15.0 per cent) and Lagardère (13.1 per cent).

RTL Radio was the leading station in France for the 12th consecutive year. With an average audience share of 11.7 per cent (2014: 11.3 per cent), RTL Radio remained ahead of its closest competitor by 2.1 percentage points, and is the only French radio station with an annual audience share over 10 per cent. The flagship station delivered an average cumulated audience of 6.4 million listeners per day (2014: 6.0 million) – meaning 6.4 million listeners tune in to the station at least once a day.

Fun Radio achieved an audience share of 4.4 per cent in 2015 (2014: 3.8 per cent) and a cumulated daily audience of 3.6 million listeners (2014: 3.6 million): the dancefloor station improved its audience share throughout 2015 to become the second most popular music station in France on both cumulated audience and market share.

The pop-rock station **RTL 2** achieved an audience share of 2.6 per cent in 2015 (2014: 2.9 per cent) and a cumulated audience of 2.4 million daily listeners (2014: 2.5 million).

"For the full year 2015, RTL Radio was the largest commercial radio group in France with an audience share of 18.8 per cent, up by 0.8 percentage points."

CHRISTOPHER BALDELLI
CEO, RTL Radio (France)

Digital and diversification activities

According to the Médiamétrie/NetRatings study, *RTL.fr* reached 3.0 million unique visitors per month (2014: 3.1 million) maintaining its rank as one of the 15 most visited French news websites. With a lead of 923,000 unique visitors over the second-placed radio site (2014: 710,000 unique visitors), *RTL.fr* remains the undisputed leader of radio sites in France and the only to position itself among the top 20 news sites. Combining the four websites of the portfolio, RTL Net (*RTL.fr*, *Funradio.fr*, *RTL2.fr* and *Girls.fr*) reached an average 3.7 million unique visitors per month (2014: 3.7 million).

Other segments

This segment comprises the fully consolidated businesses RTL Hungary, RTL Hrvatska (Croatia), RTL Group's Luxembourgish activities, the German radio business and the investment accounted for using the equity method, Atresmedia in Spain. It also includes RTL Group's digital assets, SpotX, BroadbandTV and StyleHaul, bundled in the RTL Digital Hub.

RTL Hungary: 2015 was the second consecutive year that the Hungarian net TV advertising market grew since 2008. The market was estimated to be up 0.6 per cent in 2015. Total consolidated revenue of RTL Hungary was €100 million (2014: €102 million) mainly due to lower revenue from the company's main channel, RTL Klub. EBITA was up to €21 million (2014: loss of €1 million), driven by one-off effects such as the partial reversal of a stock valuation allowance and the reclaim of advertising tax paid in 2014.

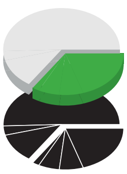
The combined prime-time audience share of the RTL family of channels in the key demographic of 18 to 49-year-old viewers was 36.9 per cent (2014: 36.6 per cent). The prime-time audience share of **RTL Klub** decreased to 20.2 per cent (2014: 20.8 per cent) though the Group's Hungarian flagship channel remained the clear market leader, 8.8 percentage points ahead of its main commercial competitor, TV2 (2014: lead of 6.4 percentage points). During the year, RTL Klub won 337 prime time evenings in the target group, 19 more than in 2014.

The most watched programmes were *Hungary's Got Talent* with an average audience share of 30.4 per cent in the target group, the daily soap *Barátok közt* (Between Friends) with an audience share of 23.3 per cent, and *Éjjel-Nappal Budapest* (Budapest – Day And Night) with an audience share of 23.1 per cent. The main news programme *Híradó* recorded an average audience share of 20.4 per cent. RTL Klub produced a 10-part weekly drama entitled *Válótársak*, based on the Dutch series *Divorce*, which had an audience share of almost 23 per cent in the commercial target group, continuously performing above the channel average.

"2015 has been very successful and eventful for RTL Hungary. We introduced a number of brand new formats in 2015, most of the new formats performed better than the channel average. We expanded our organisation by a Digital and Development Department. Our aim is to further strengthen our digital footprint. To reach this we develop a unified VOD and OTT strategy."

GABRIELLA VIDUS
CEO, RTL Hungary

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



	2015 (%)
RTL Klub	20.2
Cool	6.5
Film Plusz	5.8
RTL II	2.0
TV 2	11.4
Viasat 3	3.7
Others	50.4

RTL Hungary's cable channels achieved a combined prime-time audience share of 16.7 per cent among viewers aged 18 to 49 (2014: 15.9 per cent). With a prime-time audience share of 6.5 per cent in the target group (2014: 6.1 per cent), Cool was once again the leading cable channel in Hungary. The channel's most watched programme was the movie *Hangover* with an audience share of 12.6 per cent. The most watched programme on Film Plusz – which scored an average audience share of 5.8 per cent in the target group (2014: 5.5 per cent) – was *Twilight – Break of Dawn* with an audience share of 14.0 per cent. On RTL II, the most watched programme was the seventh season of the reality format *Való Világ* with an average audience share of 12.2 per cent in the target group of viewers aged 18 to 49 (season six: 9.7 per cent).

The channel's catch-up TV service, RTL Most, generated a total of 76 million video views in 2015 (2014: 132 million). This decrease was mainly due to strong comparables in 2014, based on two seasons of *Való Világ* and one season of *X Faktor*. With a monthly average of 520,000 unique users, RTL Hungary's online portfolio is the biggest local TV online video portfolio with owned and licensed content.

"2015 was a year of growth for RTL Croatia. We grew our audiences, our market share and improved our operating profit."

HENNING TEWES
CEO, RTL Hrvatska

RTL Hrvatska: In Croatia, the TV advertising market was estimated to be up 1.7 per cent. Total revenue of RTL Hrvatska remained stable at €35 million (2014: €35 million), while EBITA was up to €1 million (2014: break even), reflecting lower programming costs and higher advertising revenue.

RTL Hrvatska's channels achieved a combined prime-time audience share of 27.5 per cent in the target group of viewers aged 18 to 49 (2014: 25.0 per cent), mainly due to the strong performance of the flagship channel **RTL Televizija**. RTL Televizija recorded an average prime-time audience share of 19.8 per cent (2014: 17.7 per cent). Local productions and regional co-productions remained a vital part of the channel's programming, regularly performing above the channel's average. The year started with broadcast of the Men's World Handball Championship from Qatar. On average, the 24 matches broadcast attracted an average audience share of 33.7 per cent in the target group, while the match between Croatia and Poland drew an audience share of 62.2 per cent. The regional *X Factor Adria* was the channel's spring season highlight, with an average audience share of 26.7 per cent. The main news programme, *RTL Danas,* registered an average audience share of 22.6 per cent of the target audience.

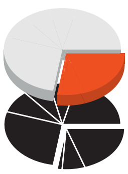
RTL 2 recorded a prime-time audience share of 6.5 per cent (2014: 6.2 per cent). US sitcoms continued to be a vital part of the channel's offering, with *Big Bang Theory*, *Modern Family* and *Two And A Half Men*, while *Elementary* and *The Mentalist* were the most popular drama series. The children's channel **RTL Kockica** achieved an average audience share of 16.0 per cent among children aged 4 to 14 in the time between 7:00 and 20:00 (2014: 17.2 per cent).

In March 2015, RTL Hrvatska launched three new digital pay-TV channels: RTL Living, RTL Passion and RTL Crime, available via cable and IPTV.

In 2015, RTL Hrvatska started to develop a new digital network in association with local news portals, including new portals dedicated to gaming, satire and health. During the year, the company integrated seven local news portals and three national portals, increasing its overall digital reach. In 2015, RTL Hrvatska's web properties (own websites and digital network) generated almost 18 million online video views (2014: 11 million) of which over 3 million were long-form content offered through the catch-up TV platform RTL Sada. *RTL.hr* apps on iOS and Android were downloaded over 390,000 times by the end of 2015 (2014: 310,000), while the RTL Sada second screen app for iOS was downloaded more than 31,000 times (2014: 17,000).

National audience breakdown

Source: AGB Nielsen Media Research. Target: 18–49 (prime time) 2015 (%)



RTL Televizija	**19.8**
RTL 2	**6.5**
RTL Kockica	**1.2**
Nova	27.5
HTV 1	9.1
Doma	7.4
HTV 2	7.4
Others	21.1

"In 2015, RTL was once again the leading media brand in the Grand Duchy of Luxembourg, reaching 85.0 per cent of the Luxembourgish population every day."

ALAIN BERWICK
CEO, RTL Lëtzebuerg

In 2015, **RTL Lëtzebuerg** was once again the leading media brand in the Grand Duchy of Luxembourg. Combining its TV, radio and internet activities, the RTL Lëtzebuerg media family achieved a daily reach of 85.0 per cent (2014: 82.0 per cent) of all Luxembourgers aged 12 and over.

RTL Radio Lëtzebuerg is the station listeners turn to for news and entertainment, with 195,200 tuning in each weekday (2014: 186,300). The TV channel **RTL Télé Lëtzebuerg** attracts 144,200 viewers each day (2014: 136,900), representing a prime-time audience share of 47.6 per cent of Luxembourgish viewers aged 12 and over, Monday to Friday, 19:00 to 20:00 (2014: 48.3 per cent).

RTL.lu continues to be the country's most visited website, with a daily reach of 36.8 per cent among Luxembourgers aged 12 and over (2014: 33.8 per cent). With the relaunch of the *5minutes.lu* website and applications in 2015, RTL Lëtzebuerg strengthened its position in the French-speaking market in Luxembourg and beyond.

In 2015, RTL emphasised its cooperation with the national film industry. All animated films and series produced in Luxembourg are now systematically adapted in the national language. This enabled RTL Télé Lëtzebuerg to launch a brand new daily show called *Tirlitivi – Planet Kids* and a new documentary concept for adults. *Routwäissgro* shows the unknown faces of Luxembourg through reality-based portraits of everyday people. These new shows – together with strong local news, sports and current affairs coverage – helped to maintain RTL Télé Lëtzebuerg's high viewing figures.

RTL Lëtzebuerg — **DAILY REACH**

Source: TNS-ILRes Plurimedia 2015. Target: 12+

	2015 (%)
RTL Radio Lëtz.	54.6
RTL Télé Lëtz.*	39.6
RTL.lu	36.8
RTL Lëtzebuerg	**85.0**

*Including Den 2.ten RTL & RTL TV via Internet

Broadcasting Center Europe: In 2015, Broadcasting Center Europe (BCE) was the host broadcaster for the Luxembourg Presidency of the Council of the European Union, providing a range of services including audiovisual coverage, integration of a technical infrastructure, digital signage and a streaming platform.

Since January 2015, BCE has broadcast the event channel UFC Premium including the distribution to VoD platforms. In association with Pontis Media Services, BCE created a multi-site playout platform in Luxembourg for the broadcast of CLT-UFA's seven Hungarian-language cable channels. BCE also supported the launch of RTL Z, the new channel of RTL Nederland, with a dedicated control room integrated to the current customer hub.

Following its development of managed IT and Telecom services, BCE provides IT services for Endemol France including support, monitoring and supervision. The French Assemblée Nationale selected BCE for the set-up of connections to the 10 largest French TV channels. FremantleMedia UK renewed its storage and servers infrastructure with BCE.

In Africa, BCE finalised the installation of the national Ethiopian broadcaster, EBC, with a state-of-the-art turnkey TV solution and mass digitisation services. The local staff was trained in Luxembourg to ensure a seamless start of the new platform.

Looking towards the future, BCE extended its Junglinster (Luxembourg) site infrastructure with a teleport, a disaster recovery platform for its playout customers and a mass digitisation infrastructure.

"We understand digital transformation as a challenge but also as a great opportunity for our business. With our investments in digital activities, RTL Radio Deutschland is the most innovative radio group in Germany. In this way we are well prepared for the future."

GERT ZIMMER

CEO, RTL Radio Deutschland

RTL Radio Deutschland reported revenue of €51 million in 2015 (2014: €50 million), while EBITA remained stable at €8 million (2014: €8 million). Revenue increased due to an outstanding regional sales performance, despite a loss in reach in 2014 which was the basis for RTL Radio Deutschland's offer to advertisers in 2015.

In 2015, the average hourly reach of commercial radio decreased following a change in the determination of the basic population to measure radio usage. In total, radio advertising showed a 3.6 per cent decline in reach (net reach per hour among listeners aged 10 and over) compared to the previous year. The German RTL radio portfolio performed better than the market, with a decline of just 0.8 per cent.

Once again, the RTL Radio Center Berlin and its stations remained ahead of the competition in the German capital's highly competitive market. 104.6 RTL remained the most popular station, while 105.5 Spreeradio maintained its high level and youth radio 93.6 Jam FM gained 7.6 per cent of listeners (target group aged 14 to 49). Radio Hamburg recorded a gain of reach of 15.7 per cent despite a 5.4 per cent drop in the city's population, while Antenne Niedersachsen was the only station in Lower Saxony to gain a significant number of listeners (plus 9.9 per cent).

RTL Radio Deutschland expanded its radio activities in 2015, giving Luxembourg's legendary station RTL Radio a new home in Berlin. The station is now broadcast across Germany from RTL Radio Center Berlin as "RTL Radio – Deutschlands Hit-Radio". With 93.6 Jam FM moving into brand new facilities, the broadcasting centre is now operating four stations in Berlin covering a wide range of target groups.

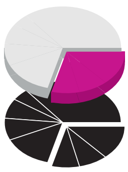
At the end of 2015, RTL Group's German radio portfolio comprised investments in 17 stations, most of which are minority holdings because of constraints in media ownership in Germany. In total, these stations reach more than 23 million listeners each day (2014: 23 million), and have a combined average audience of approximately 4.9 million listeners per hour (2014: 4.7 million).

Atresmedia in Spain: The Spanish TV advertising market increased by an estimated 6.4 per cent in 2015. The Atresmedia family of channels achieved a combined audience share of 29.2 per cent in the key commercial target group of viewers aged 16 to 54 (2014: 30.0 per cent). The main channel, Antena 3, recorded an audience share of 13.5 per cent (2014: 13.8 per cent) in the commercial target group.

On a 100 per cent basis, consolidated revenue of Atresmedia was up 9.8 per cent to €970 million (2014: €883 million), while operating profit (EBITDA) increased to €166 million (2014: €128 million) and net profit was €99 million (2014: €47 million). The profit share of RTL Group was €19 million (2014: €8 million)[29].

National audience breakdown

Source: TNS Sofres. Target: 16–54



	2015 (%)
Antena 3	**13.5**
La Sexta	**8.1**
Atresmedia digital channels	**7.6**
Telecinco	14.1
Cuatro	8.4
TVE 1	7.8
Forta	4.8
Others	35.7

"We've seen a massive increase in premium inventory sold through automated trading, primarily through increased use of private marketplaces, and in recent months, our new Curated Marketplaces tool."

MIKE SHEHAN
CEO, SpotX

RTL Digital Hub

In June 2015, RTL Group announced the creation of the RTL Digital Hub, a new unit that bundles the company's recent investments in the online video segment, in particular BroadbandTV, StyleHaul and SpotX. RTL Digital Hub also includes the BroadbandTV subsidiary YoBoHo, and the shareholdings in Clypd, a company specialising in the automated sale of TV advertising, and VideoAmp, a platform for cross-screen data optimisation.

In September 2015, SpotXchange rebranded as **SpotX** to better reflect that the company is much more than an exchange – it is an inventory platform for premium publishers and broadcasters, and is building solutions that will help monetise inventory across all screens and all streams. SpotX continued to grow strongly and is working closely with RTL Group to leverage synergies and shared knowledge as the business expands into Europe. The company has continued its rapid growth trajectory in 2015, with four new offices opened, 31 per cent global headcount growth and a 56 per cent increase in revenue year-on-year[30]. More than 7.5 billion video ad decisions are processed daily via SpotX as of December 2015 (2014: 3.0 billion). Throughout the year, SpotX registered 175 million ad impressions served on a daily basis (2014: 88 million). The company also launched a partnership with Clypd and TiVo to deliver a programmatic TV solution to the market.

29 before restatements
30 Pro-forma

"We're putting ourselves at the centre of the communities and conversations that the new generations are engaging with. In essence, we're powering the future of online video and entertainment by creating the most advanced and connected ecosystem."

SHAHRZAD RAFATI
Founder & CEO, BroadbandTV

"We've seen great growth and success in 2015 through the diversification of our strategic partnerships and premium content. We look forward to 2016 with continued acceleration and momentum in an industry that's just getting started."

STEPHANIE HORBACZEWSKI
Founder & CEO StyleHaul

BroadbandTV: With 70,000 creators and 7.8 billion monthly impressions[31], BroadbandTV has become the largest multi-channel network on YouTube worldwide. In 2015, BroadbandTV registered a total of 59.6 billion video views – up 155 per cent from 2014. Revenue increased by 102 per cent year-on-year[32].

In April 2015, BroadbandTV announced the acquisition of YoBoHo, the world's leading digital-first kids' content producer. A few months later BroadbandTV launched the HooplaKidz Network with the vision to build the leading kids and family entertainment digital ecosystem including a strong distribution network, apps, merchandising, licensing and significant original content. In September 2015, BroadbandTV partnered with *The Huffington Post* and launched Outspeak, a next generation citizen journalism network for those passionate about news and politics, lifestyle, entertainment, business and technology. BroadbandTV also launched Windfall, an end-to-end solution to grow music artists across all platforms in association with BMG.

StyleHaul continues to be the leading network for fashion, beauty and women's lifestyle with over 6,400 creators and a community of over 500 million fans across four social platforms around the world. In 2015, StyleHaul registered a total of 15.73 billion views – up 72.7 per cent compared to 2014. Revenue increased by 87 per cent year-on-year[33]. In May 2015, StyleHaul held its first ever NewFronts presentation, announcing its first scripted series, *Vanity*, in association with two-time Emmy-winning creator/producer Bernie Su. StyleHaul announced two major agreements in 2015, with Amazon and Verizon. StyleHaul has partnered with Amazon to create and distribute unique and relevant shopping-centric content for consumers leveraging the StyleHaul creator community – and giving them a new platform on which to engage with their community. The Verizon association gave over two dozen StyleHaul creators the opportunity to create and launch exclusive content on Verizon's new mobile-only platform, go90.

31 as of December 2015
32 Pro-forma, including YoBoHo
33 Pro-forma

General management statement on the fiscal year 2015 performance

Overall, 2015 was a very positive financial year for RTL Group, with new records in revenue and EBITA, and a strong increase in the net result. The Group also made sound progress in implementing its growth strategy.

The economies in the European markets in which RTL Group operates grew again in 2015. Overall, the advertising markets across Europe were also positive over the course of 2015 despite the mixed macro-economic climate. RTL Group's operations experienced significant variations across the months and quarters of the year, making it difficult to predict market trends with any certainty. Nonetheless, all European net TV advertising markets in which RTL Group is active, were up or stable year-on-year.

Linear TV continues to dominate the video market, and is the only medium that consistently reaches mass audiences on a day-to-day basis. In total, people watch more video content than ever before – long-form and short-form, linear and non-linear, on the TV screen and on multiple devices. There is rapid growth in demand for both high-quality video content and online video advertising.

With the exception of Groupe M6 in France, these trends stimulated revenue growth in the broadcasting business – particularly at Mediengruppe RTL Deutschland which reported yet another record result. RTL Group's flagship channels remained number one or number two in their respective markets and target groups.

Revenue for FremantleMedia, RTL Group's production arm, benefitted from favourable exchange rate effects in 2015. As anticipated, EBITA was down due to the reduction in *American Idol*. Throughout the year, FremantleMedia focused on increasing creative diversity within the company – organically and through acquisitions. It invested into a total of eight production companies, securing talent and intellectual property. FremantleMedia is an industry leader and already operates at significant scale; its focus is therefore on identifying creative talent who are developing projects that complement FremantleMedia's network.

RTL Group's digital businesses developed into a growth driver for revenue. In 2015, digital revenue increased by 72.2 per cent to €508 million, representing 8.4 per cent of the total Group revenue. Online video advertising is the fastest growing advertising segment: by acquiring SpotX, RTL Group was an early mover in this area, and recent investments have built on these capabilities: Clypd is a US-based platform for programmatic advertising sales on linear TV, and VideoAmp is a US-based platform for cross-screen data optimisation. The RTL Digital Hub launched in 2015 and is committed to overseeing and developing RTL Group's portfolio of MCNs and digital ad tech businesses.

For the full year 2015, RTL Group delivered on its financial guidance on revenue (moderately up: +2.5 to +5.0 per cent) with revenue growing by 3.8 per cent to €6,029 million and exceeded the guidance on EBITA (broadly stable: -1.0 to +1.0 per cent) with EBITA increasing by 2.0 per cent to €1,167 million. The Group's EBITA margin remained almost stable at 19.4 per cent.

At the time the Directors' report was compiled, RTL Group is characterised by overall very good revenue and earnings, a strong financial position and operating performance. Strong cash flows allow the combination of significant investments with attractive dividend payments.

RTL Group has leading market positions across the whole value chain of the rapidly evolving total video market. With this financial strength, it is the company's ambition to further grow RTL Group in the next years – to transform the leading European entertainment network into a truly global powerhouse in video production, aggregation and monetisation.

Non-financial information

Corporate responsibility (CR)

Responsibility for its employees and the impact of its businesses on society and the environment are integral to RTL Group's day-to-day business. RTL Group is aware of the special nature of the media business, acting as both an opinion former and information provider. Television's primary role is to entertain and inform. It creates attention, depicts history and focuses on emotions. Television is – and will remain – the leading medium. This popularity comes with great responsibility.

As an international leader across broadcast, content and digital, RTL Group is in an excellent position to champion a wide range of good causes and to help bring to the public's attention important social challenges that might otherwise go unnoticed or be under-funded. In accordance with RTL Group's decentralised business model and organisational structure, the individual profit centres implement a wide range of activities and CR projects.

Following a materiality analysis, conducted in close cooperation with RTL Group's majority shareholder Bertelsmann in 2014, RTL Group identified the following topics as most material to our stakeholders: editorial and journalistic independence, protection of media users and customers, employees (especially education and fair working conditions), diversity, donations and aid projects, and environmental and climate protection. The Corporate Responsibility Report 2015, which forms an integral part of the RTL Group Annual Report 2015, provides more insight on both the materiality assessment process and on the most material CR topics.

RTL Group recognises that business success cannot be measured only in financial terms. Beyond having a clear positive impact on society, sustainable behaviour generates additional value for the Group, and contributes to the long-term development of its various businesses. In recent years, RTL Group has gradually increased its reporting on Corporate Responsibility and will widen the scope of this reporting in the future.

In line with the European Directive 2014/95/EU regarding the disclosure of non-financial and diversity information, the following paragraphs of the Directors' report complement the separate CR Report 2015 by disclosing information on anti-corruption and bribery matters, respect for human rights and environmental matters. Social and employee matters are explored in more detail in the separate CR Report (Page 25). RTL Group aims to gradually combine all CR-related reporting in one document (a so-called "non-financial statement" within the Annual Report, as stipulated by the EU Directive).

Compliance

It is an integral part of RTL Group's value system to behave ethically with the Group's highly diverse audiences, the creative community, advertisers, business partners, employees and government agencies and regulators. Accordingly, compliance with laws, internal regulations and contractual obligations is a precondition for operating. Ethical standards are formalised in the Group's Code of Conduct.

Non-compliance could affect RTL Group's reputation, impede its ability to achieve its strategic objectives, risk its economic success, and expose management and employees to legal liability.

The Audit & Compliance department develops and implements the Group's Compliance Management System and provides support and assistance on compliance matters. It also reports regularly to RTL Group's Audit Committee and the Corporate Compliance Committee on compliance matters arising. Profit centres are required to report significant compliance incidents to the compliance team.

Anti-corruption

RTL Group takes a zero-tolerance stance against any form of corruption. This is formalised in the Group's anti-corruption policy. Regular training of employees is organised in order to ensure awareness of the principles of this policy. The compliance team regularly shares knowledge about the risk of corruption and fraud, as well as good practices to mitigate the risks, with the profit centres.

Respect for human rights

Respect for human rights is an integral part of RTL Group's Code of Conduct. RTL Group respects the dignity and individual rights of employees and third parties with whom the Group has business relations. The right to freedom of association and collective bargaining is part of RTL Group's identity.

The Group condemns forced or child labour and any form of exploitation or discrimination, and strictly complies with applicable laws.

Environment

RTL Group is committed to acting responsibly in minimising its effect on the environment and strives for the prudent use of natural resources in all its operations.

As a service provider and a broadcaster, RTL Group is not a major polluter with a high consumption of raw materials and fossil fuels but, at the same time, is highly dependent on energy. RTL Group's energy consumption is the largest proportion of its greenhouse gas emissions.

Therefore, RTL Group has published a two-yearly group-wide carbon footprint measurement since 2008, in close cooperation with the Group's majority shareholder, Bertelsmann, and the Group's largest profit centres. These figures provide information on the Group's use of energy and are the first steps in assessing environmental sustainability. Addressing electricity, air-conditioning, water consumption and power consumption for broadcasting and servers, are the most pertinent ways to reduce the environmental impact of the Group's operations.

In 2010, RTL Group agreed to a timeline to cut carbon emissions by 20 per cent from the initial level of 2008, by 2020. RTL Group's environmental indicators are disclosed in the table below, which follows the GRI international reporting guideline (GRI/G4). The data for 2014 were collected for the fourth Bertelsmann Carbon Footprint Report.

GRI Table

Materials		Unit	2012	**2014**	Per cent change
EN1	**Paper (total purchase volume)**	t	240	**180**	(25)
EN2	**Paper, sustainable paper (2012: only recycled paper)**	t	30	**130**	+333
	Percentage of sustainable paper	%	13	**72**	
Energy		Unit	2012	**2014**	Per cent change
EN3	**Total energy**	MWh	136,700	**134,100**	(2)
	Electricity	MWh	97,900	**93,100**	(5)
	Thermal	MWh	24,600	**23,800**	(3)
	Energy from fuels	MWh	14,500	**17,100**	+18
EN5	**Energy intensity**	KWh/€	0.02	**0.03**	
EN6	**Reduction of energy consumption**	%	–	**(2)**	
Water		Unit	2012	**2014**	Per cent change
EN8	**Total fresh water**	m^3	2,011,800	**1,895,700**	(6)
	from company wells	m^3	1,863,100	**1,759,500**	(6)
	from public supplies	m^3	148,700	**136,200**	(8)
Greenhouse gas (GHG) emissions		Unit	2012	**2014**	Per cent change
EN15	**Direct GHG emissions (scope 1)**	t	13,100	**9,600**	(27)
EN16	**Indirect GHG emissions (scope 2)**	t	36,200	**35,800**	(1)
EN17	**Other indirect GHG emissions (scope 3)**	t	10,900	**18,400**	
	Business travel	t	10,600	**12,400**	+17
	Paper	t	–	**200**	
	Employee commute	t	–	**5,800**	
EN18	**GHG emissions intensity**	kg/€	0.01	**0.013**	
EN19	**Reduction of GHG emissions (scope 1 & scope 2)**	%	–	**(8)**	
Effluents and waste		Unit	2012	**2014**	Per cent change
EN22	**Total water discharge**	m^3	2,004,100	**1,894,600**	(5)
EN23	**Total weight of waste**	t	3,200	**2,200**	(31)
	of that amount, hazardous waste	t	9	**32**	+256
	of that amount, disposable	t	1,800	**1,400**	(22)
	of that amount, recyclable	t	1,400	**800**	(43)

Source: Bertelsmann Carbon Footprint and Environment Indicators 2014

Innovation

RTL Group's management team is consistently innovating across the business to keep the Group's brands attractive and relevant to viewers and users. Activity focuses on three core areas: developing and acquiring new, high-quality TV formats; the full range of digital distribution; and investing in advertising technology to build new offers for advertising clients in a converging media world.

RTL Television focuses on locally produced, creative content, supported by a dedicated programme development department. Over the next years the company expects to see first effects for its programming.

In addition, Mediengruppe RTL Deutschland formed a commercial agreement with NBC Universal and TF1 to co-produce original US-style TV procedural dramas. It is the first time that European broadcasters have partnered with a major US media company for a deal of this nature.

In 2015, RTL Group enhanced and strengthened its position in the growing online video market, focusing on aggregation and monetisation. Online video advertising is currently the fastest-growing segment in digital advertising, driven by programmatic video advertising. This segment relies on technological expertise. RTL Group had already benefitted from a thrust of innovation through the acquisition of SpotX, one of the leading global players in programmatic video advertising. During 2015, RTL Group invested in Clypd, a US-based platform for programmatic advertising on linear TV, and VideoAmp, a US-based platform for cross-screen data optimisation. With these investments, RTL Group secured additional expertise for future research and development in the important online video market.

In summer 2015, RTL Group founded the RTL Digital Hub. A dedicated team develops the Group's investments in multi-channel networks and digital advertising, particularly BroadbandTV, StyleHaul, SpotX, Clypd and VideoAmp. RTL Group considers itself a partner of these start-ups and offers opportunities for international roll-outs and collaboration through its worldwide network of business units. A first example: the foundation of SpotX Benelux in collaboration with RTL Nederland. FremantleMedia founded dedicated digital studios and produces a wide range of web original content for customers including StyleHaul and also for its own channels on YouTube, like Buzzr.

Synergy Committees and the RTL Digital Hub are used for exchanging information and knowledge at RTL Group.

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 effects of a proceeding. The publication of this information on a case-by-case basis, however, would seriously prejudice the company's position in the ongoing legal proceedings or in any related settlement discussions.

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

Several subsidiaries of the Group are being sued by broadcaster RTL 2 Fernsehen GmbH & Co. KG and its sales house El Cartel Media GmbH & Co. KG before the regional court in Düsseldorf in Germany seeking disclosure of information in order to substantiate a possible claim for damages. The proceedings succeed the imposition of a fine in 2007 by the German Federal Cartel Office for the abuse of market dominance with regard to discount scheme agreements ("share deals") IP Deutschland GmbH and SevenOne Media GmbH granted to media agencies. The German Federal Cartel Office argued that these discounts would foreclose the advertising market for small broadcasters. The court of Düsseldorf decided to order an expert report. Similar proceedings of other smaller broadcasters initiated in different courts were unsuccessful or have been withdrawn.

Brandi Cochran was employed as a model on the television series *The Price Is Right* from July 2002 until February 2010 and was claiming wrongful termination and other allegations due to her gender and pregnancy. Her claim was brought against FremantleMedia North America ("FMNA"). The Court entered judgement in January 2014 and awarded her damages in the amount of $8,536,384 (compensatory damages of $766,944 and punitive damages of $7,769,440; subject to interest at the rate of 10 per cent per annum until paid) plus attorney's fees. FMNA appealed the verdict. FMNA also filed a post-trial motion for a new trial, which was granted in March 2013 (and the verdict was vacated). In December 2014, the Appellate Court remanded the parties for a new trial, which was set to begin in April 2016. However, in February 2016, the parties reached a settlement agreement, which resolves this matter.

Corporate governance statement

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

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

1. Shareholders

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

As at December 2015, Bertelsmann held 75.1 per cent of RTL Group shares, and 24.1 per cent were publicly traded. The remaining 0.8 per cent were held collectively as treasury stock by RTL Group and one of its subsidiaries.

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

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

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

2. Board and management

Board of Directors

On 31 December 2015 the Board of RTL Group had eleven members: three executive directors, and eight non-executive directors. Thomas Götz, co-opted as non-executive director on 4 March 2015 in replacement of Judith Hartmann, was elected as non-executive director at the General Meeting of Shareholders on 15 April 2015 for three years. Rolf Hellermann was co-opted on 26 August 2015 in replacement of Achim Berg who resigned on 12 July 2015. Jonathan F Miller resigned on 13 November 2015. The other executive and non-executive directors re-elected at the General Meeting of Shareholders on 15 April 2015 were appointed for three years. The biographical details of the directors are set out on pages 58 to 62. 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.

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. Martin Taylor, also an independent director, has been serving on the Board as a non-executive director for more than twelve years; nevertheless the Board believes he fulfils all the independence criteria. 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.

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

The responsibility for day-to-day management of the Company is delegated to the Chief Executive Officers ("CEOs"). The Board has a number of responsibilities, which include approving the annual Group's budget, overseeing significant acquisitions and disposals, and managing the Group's financial statements. The Board of Directors met four times in 2015 physically – with an average attendance rate of 91.2 per cent – and adopted some decisions by circular resolution. An evaluation process of the Board of Directors' activities – and the activities of its committees – was carried out in 2014, and 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 2015, a total of €0.6 million (2014: €0.6 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors and the Committees that emanate from it. (see note 9.4 to the consolidated financial statements).

Neither options nor loans have been granted to Directors.

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

The following Board Committees are established:

Nomination and Compensation Committee

The Nomination and Compensation Committee comprises three non-executive directors, one of whom is an independent director (who also chairs the meetings), and meets at least twice a year. The Committee's plenary meetings are attended by the CEOs and the Executive Vice President Human Resources. The Nomination and Compensation Committee may involve other persons whose collaboration is deemed to be advantageous to assist the Nomination and Compensation Committee in fulfilling its tasks. The Chairman of the Nomination and Compensation Committee reports on the discussion held and conclusions taken by the Nomination and Compensation Committee to the subsequent Board of Directors meeting. The Nomination and Compensation Committee met five times in 2015 physically or via telephone conference, with an average attendance rate of 86.7 per cent.

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

Audit Committee

The Audit Committee is composed of a maximum of four non-executive directors, two of whom are independent, and meets at least four times a year.

The Committee's plenary meetings are attended by the CEOs, the Chief Financial Officer ("CFO"), the Head of Audit & Compliance, the external auditors and other senior Group finance representatives. The Audit Committee may invite other persons whose collaboration is deemed to be advantageous to assist the Audit Committee in fulfilling its tasks. The Audit Committee met five times in 2015 physically or via telephone conference, with an average attendance rate of 87 per cent. The Chairman of the Audit Committee reports on the discussions held and conclusions taken by the Audit Committee to the subsequent Board of Directors meeting.

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

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

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

CEOs

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

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

Executive Committee

On 31 December 2015, the Executive Committee is comprised of the three executive directors, that is the two CEOs and the CFO. The Executive Vice President Regional Operations & Business Development CEE and Asia is invited to attend the meetings on a permanent basis. The Executive Committee is vested with internal management authority. Biographical details of the members of the Executive Committee can be found on page 63.

External auditor

In accordance with the Luxembourg law on commercial companies, the Company's annual and consolidated accounts are certified by an external auditor, appointed at the Annual General Meeting of Shareholders. On 15 April 2015, the shareholders appointed Pricewaterhouse Coopers, société coopérative (PwC) for a year. PwC's mandate will expire at the Annual General Meeting on 20 April 2016.

Dealing in shares

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

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

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

3. Code of Conduct

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

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

4. Internal controls over financial reporting

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

Standards and rules

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

Systems and related controls

Locally used ("ERP", treasury applications) finance systems are largely centrally monitored via a common system platform to ensure a consistent set-up of system-embedded controls. Segregation of duties, access rights and approval limits are regularly reviewed by the local data owners for all reporting units whose finance systems are centrally maintained. Internal and external financial reporting is up-streamed through a centrally managed integrated finance system – from budgeting and trend year analysis, monthly internal management reporting, forecasting of financial and operational KPIs, to consolidation and external financial reporting, and finally risk management reporting (see the section "Risk management"). 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 internal audit. For all the RTL Group central applications and interfaces (the "Referenced Applications") as well as their related IT infrastructure, controls objectives are defined. The description of the control environment and the effectiveness of these controls are subject to an annual SOC1 ISAE3402 third party assurance report. The Group's consolidation scope is constantly updated, both at the level of financial interests captured in the consolidation system, and at the level of legal information through a dedicated legal scope system.

Analytics and reporting

All internal and external local financial and consolidated reporting is systematically reviewed by local finance staff or by finance teams within the Corporate Centre. Typical analyses include comparisons to previous year, budget and forecast, financial and operational KPIs, flows of key captions on the income statement, statement of the financial position, changes in equity, and cash flow statement. Regular communication between RTL Group's operations and the Corporate Centre's finance department ensures any issue that could affect the Group's financial reporting is immediately flagged and resolved. Quarterly reporting to the financial market is reviewed by the Audit Committee and approved by the Board of Directors. (Q1 and Q3 condensed consolidated interim financial information is approved by the Audit Committee upon delegation by the Board of Directors).

Transparency

RTL Group's policy on reporting of significant compliance incidents requires business units to immediately report fraud as well as significant compliance 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. Finance committees are used as additional platforms to exchange information with business units with financial impact.

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

5. Risk management
Risk matrix

Type of risk	Description and areas of impact	Mitigation activities
External and market risks		
Legal	The local and European media regulations are subject to change. Some changes could alter businesses and revenue streams (for example, a ban on certain types of advertisements, opening of markets, deregulation of markets, cancellation of restrictions, limitation of advertising minutes).	RTL Group tries to anticipate any changes in legislation and to act accordingly by developing and exploiting new revenue sources.
Audience and market share	A decrease in audience and/or market share may have a negative impact on RTL Group's revenue.	New talent and formats are developed or acquired. Performance of existing shows is under constant review with the aim of driving audience share performance and hence future revenue. Moreover, RTL Group remains constantly proactive in the monitoring of international market trends.
Strategic direction	Wrong strategic decisions could lead to potential losses of revenue. Also, wrong strategic investment decisions and overpricing could imply the risk of an impairment of goodwill.	Prudent investment policies are followed, underpinned by realistic and conservative business plans, approval levels being followed ensuring the relevant degree of management 'sign-off', solid valuation models and regular strategic planning sessions. A regular review of strategic options is undertaken ensuring that the strategic course of the Group is well understood and consistent over time.
Cyclical development of economy	Economic development directly impacts the advertising market and therefore RTL Group revenue.	RTL Group tries to diversify the revenue base through regional expansion as well as new products and services generating non-advertising revenue.
Market risks		
New entrants and market fragmentation	As countries move towards digital switchover, market entry barriers are reduced. New entrants will also provide further choice to the viewer. Higher competition in programme acquisition, fragmentation due to thematic channels, and expansion of platform operators may impact RTL Group's position.	RTL Group's strategy is to embrace new digital opportunities by ensuring its channels and stations are platform neutral (available on the widest possible choice) and that we develop strong families of channels for the digital age based around our leading brands.
Technological challenges/innovation	New broadcasting technologies are becoming more and more important over the coming years (for instance, digital broadcasting, internet, video-on-demand) may imply not only opportunities, but also threats for RTL Group.	RTL Group remains proactive on new technological and broadcasting trends and develops digitalisation activities to offset the removal/loss of analogue activities.
Risks in key business		
Customers	Bad debts or loss of customers may negatively impact RTL Group's financial statements.	Credit analysis of all new advertisers is systematically undertaken to prevent such a risk. Depending on the customer's credit worthiness credit insurances may be used. This risk is also mitigated by broadening the advertiser base.
Suppliers	The supply of certain types of content is limited and may lead to a rise in costs. Over-reliance on one supplier may also cause costs to rise in the long term.	The Group tries wherever possible to diversify its sources of supply. RTL Group benchmarks purchasing terms and conditions to identify best practices with the aim of reducing costs via, for example, joint purchasing. RTL Group selects high quality and solid suppliers for key services or equipment to reduce the risk of bankruptcy of business partners.
Inventories	There is a risk of over-accumulation of stock that would be unused or could become obsolete. This may imply that write offs/impairments are necessary.	RTL Group has strict commercial policies, very close follow-up of existing inventories and strict criteria for approval of investment proposals for rights.
Financial risks		
Foreign exchange exposure	Effective management of foreign exchange risk is an important factor. The operating margin and broadcasting costs are impacted by foreign exchange volatility, especially if there is a strong increase of the USD against the Euro (feature films or sport/distribution rights purchases).	RTL Group has in place a strict policy regarding foreign exchange management, which is monitored and followed up by Group Treasury, using plain vanilla hedge instruments to mitigate volatility on the income statement.

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

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

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

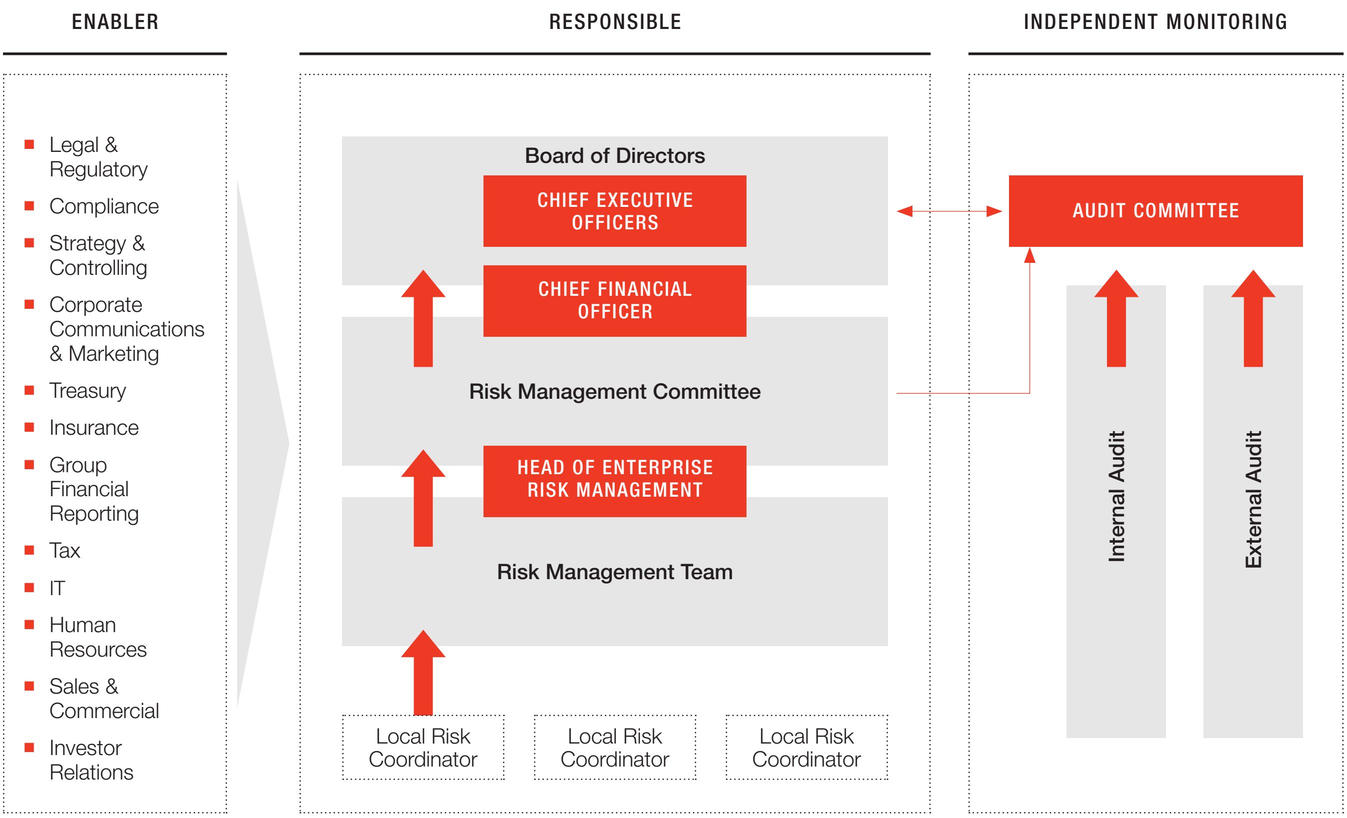
RTL Group's risk management process intends to meet the following three main objectives:

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

The risk management organisation is the combination of structures and relationships (see the diagram below) which enables a proper risk governance environment. RTL Group's risk management governance model has a strong vertical component descending from the Board, Executive, Audit and Risk Management Committees, through the Executive responsible (CEO, CFO and Head of ERM) and down to all the levels of the dedicated risk management functions, including Group local entities. This backbone is enabled by related control functions carried out by the Legal & Regulatory, Compliance, Strategy & Controlling, Corporate Communications & Marketing, Treasury, Insurance, Group Financial Reporting, Tax, IT, Human Resources, Sales & Commercial and Investor Relations departments. Besides, an independent monitoring is carried out by Internal Audit and External Audit.

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

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



The Risk Management Committee is composed of the following permanent members:

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

Definition of risk

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

Risk reporting framework

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

This framework is based on a number of key principles:

- Comprehensive scope of risk assessment: risks are assessed within a framework of defined key risk categories. Regular risk assessments include a description of the risk, an indication of the potential financial impact, and steps taken to mitigate the risk. These steps are performed throughout RTL Group, consolidated by the Head of Enterprise Risk Management, reviewed by the Internal Audit Department, and ultimately summarised in a dedicated risk management report. Results are presented to the Audit Committee.
- Regular and consistent reporting: RTL Group's system of internal controls ensures that risks are addressed, reported and mitigated when they arise. All significant risks are comprehensively assessed within the risk reporting framework, and reported to RTL Group management on a bi-annual basis. This ensures that necessary actions are undertaken to manage, mitigate or offset risks within the Group. The risks are reported in a common reporting tool to ensure consistency in scope and approach.

- Bottom-up approach: RTL Group assesses risks where they arise – in its operations. All business units assess themselves according to the two parts of the risk management Report:
  - Part A: Risk assessment and quantification of residual risks if applicable
  - Part B: Self-assessment on Internal Controls in place
- Consolidated Group matrix: the enterprise risk management team aggregates a comprehensive view of significant risks for the Group by consolidating local risk assessments. The Risk Management Committee prepares and reviews this consolidated Group risk matrix. The Committee also:
  - Advises on the control and reporting process for any major risks, and recommends mitigation strategies to the Group CFO
  - Monitors follow-up of risks and ensures mitigation measures have been taken
  - Increases risk awareness within the Group
  - Identifies potential optimisation opportunities in processes
- Audit approach: both the process of local risk assessments and the consolidated Group risk matrices are regularly reviewed by Audit & Compliance.

Going forward

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

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

General management statement on risk evaluation

RTL Group is committed to high risk management standards and applies principles endorsed by local and European regulations and expected by market authorities. Consequently, RTL Group's risk management process has developed a risk management framework integrated into an enterprise-wide process as laid out in the previous section. RTL Group defines its risk management as a continuous process at Business Unit and Group level to prevent, protect, mitigate and leverage risks in light of the execution of RTL Group's mission and strategic objectives as well as in respect of its values. RTL Group's risk management strategy is an holistic and enterprise-wide process defined and implemented in light of the definition and execution of RTL Group's strategy. RTL Group may have to make strategic decisions involving a new set of risks or reassessment of existing risks that need to be addressed within the risk management framework.

The global media industry – especially with regards to advertising markets – is subject to constant market change and intense competition. The Group is in a good strategic and operational position to benefit from the market's dynamism and to use it as an opportunity to grow across broadcast, content and digital.

At the time the Directors' report was compiled, RTL Group is characterised by overall very good revenue and earnings, a strong financial position and operating performance. Strong cash flows allow the combination of attractive dividend payments with significant investments. Management's first priority has always been to further develop the Group, to make the right investments and achieve profitable growth. RTL Group has leading market positions across the whole value chain of the rapidly evolving total video market. With this financial strength, it is the company's ambition to further grow RTL Group in the future – to transform the leading European entertainment network into a truly global powerhouse in video production, aggregation and monetisation. Against this backdrop, as of the date of preparation of the Directors' report, RTL Group considers risks to be limited, and the overall risk situation remains manageable. Given the rapid changes in global economy and the industry such as the increasing popularity of non-linear video services, RTL Group considers the overall risk situation slightly more serious than the year before.

Opportunity Management System

An efficient Opportunity Management System enables RTL Group to secure its corporate success in the long term and to exploit potential in the best possible way. Opportunities are classed as future developments or events that could result in a positive change from either the Group's outlook or strategic objectives. RTL Group's Risk Management System is an important part of the company's business processes and decisions. Significant opportunities are identified from profit centre level upward, during the Group's annual strategy and planning process.

This largely decentralised system is coordinated by central departments to identify opportunities for cooperation across the Group and within the business units. Experience is shared within divisions and this collaborative approach is reinforced by regular senior management meetings.

Opportunities

While opportunities associated with positive development may be accompanied by corresponding risks, certain risks are necessary to exploit potential opportunities. This link to risk within the Group offers strategic, operational, legal, regulatory and financial opportunities for the company. Strategic opportunities can be derived primarily from the Group's strategic priorities. Strengthening core businesses, driving forward the digital transformation, developing growth platforms and expanding in growth regions are the most important long-term growth opportunities for RTL Group. In particular, there are opportunities to exploit synergies as a result of the Group's expanding portfolio, individual operational opportunities, the possibility of more favourable economic development and the potential for efficiency improvements.

Two major opportunities for RTL Group are a better-than-expected development of the TV and radio advertising market, and increasing audience and advertising market shares.

The rapidly changing digital environment is opening up opportunities as the media landscape fragments. High-quality content can be distributed across multiple platforms, both nationally and internationally. New revenue streams can be generated by exploiting existing TV content across multiple platforms and by creating native digital content. With the expansions of its presence in the digital space, RTL Group could increase online video advertising sales on all screens and TV platforms and establish pay models in the on-demand world. New advertising sales could emerge through the offering of new interactive forms of advertising parallel to linear TV use, as well as more effective targeted advertising in the digital environment. What's more, as an established content producer with a global presence, RTL Group could further expand its digital distribution through multi-channel networks and digital streaming platforms.

Other opportunities could arise from changes to the legal and regulatory environment, and as a result of favourable changes to interest and exchange rates.

Luxembourg Law on Takeover Bids

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

a) Share capital structure

RTL Group SA has issued one class of shares which is admitted to trading on the Frankfurt Stock Exchange, Euronext Brussels and the Luxembourg Stock Exchange. No other securities have been issued. The issued share capital as at 31 December 2015 amounts to €191,900,551 represented by 154,787,554 shares with no par value, each fully paid-up. It is anticipated that the Company will hold an Extraordinary General Meeting at the end of May 2016 to cancel those shares which have not been properly deposited according to the provisions of the law of 28 July 2014 regarding the immobilisation of bearer shares in Luxembourg.

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 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 2015 is as follows: Bertelsmann Capital Holding GmbH held 75.1 per cent, 24.1 per cent were publicly traded and the remaining 0.8 per cent were held collectively as treasury stock by RTL Group SA and one of its subsidiaries.

d) Special control rights

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

e) Control system in employee share scheme

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

f) Voting rights

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

g) Shareholders' agreement with transfer restrictions

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

h) Appointment of Board members, amendments of the Articles of Association

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

i) Powers of the Board of Directors

The Board of Directors is vested with the broadest powers to manage the business of RTL Group SA. It may take all acts of administration and of disposal in the interest of RTL Group SA. The Board of Directors has set up several committees whose members are Directors. The responsibilities and functionalities of the Board of Directors and its committees are described in the Articles of Association and the Corporate Governance Charter, published under the 'Investors' Corporate Governance Section on *RTLGroup.com*. The Company's General Meeting held on 16 April 2014 has authorised the Board of Directors to acquire a total number of shares of the Company not exceeding 150,000 in addition to the own shares already held (i.e. 1,168,701 own shares) as of the date of the General Meeting. This authorisation is valid for five years and the purchase price is fixed at a minimum of 90 per cent and a maximum of 110 per cent of the average closing price of the RTL Group share over the last five trading days preceding the acquisition.

j) Significant agreements or essential business contracts

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

k) Agreements with Directors and employees

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

Outlook

The TV advertising markets in 2015 reflected the overall macro-economic situation in Europe. All European net TV advertising markets in RTL Group's territories were up or stable year-on-year.

With global fears seemingly mounting around oil prices and Chinese growth, RTL Group does not see any signs of either a wider advertising market rally or a sharp decline and expects the picture in 2016 to be similar with overall slight growth.

Given that 2016 is also a heavy sports year, with the Summer Olympics and Euro 2016 football championship, RTL Group expects some swings in seasonality and obviously an impact on audience shares.

Accordingly, RTL Group currently believes that 2016 will be another challenging year for the TV channels and therefore expects only slight top line growth from its core broadcast markets.

FremantleMedia – RTL Group's content production arm – will continue to face market pressure on both volumes and pricing, but should benefit from the investments made in new businesses and also in the pipeline, especially in drama. Accordingly, RTL Group expects FremantleMedia's revenue to grow moderately, subject to stable exchange rates, with EBITA also progressing.

Digital revenues are expected to continue to show dynamic double-digit revenue growth and increase its share of RTL Group's total revenue.

The company will continue to focus on cash conversion and expects 2016 levels to be broadly in line with the previous year, at around 90 per cent.

RTL Group currently expects its total full-year revenue to continue to grow moderately (+2.5 per cent to +5.0 per cent), predominantly driven by the Group's digital businesses, while EBITA for the full year 2016 is expected to be broadly stable (–1.0 per cent to +1.0 per cent). Both revenue and EBITA forecasts for the Group are based on current stable market conditions.

9 March 2016
The Board of Directors

Management Responsibility Statement

We, Guillaume de Posch and Anke Schäferkordt, Chief Executive Officers and Elmar Heggen, Chief Financial Officer, confirm, to the best of our knowledge, that these 2015 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, 9 March 2016

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

Elmar Heggen
Chief Financial Officer

Consolidated income statement

for the year ended 31 December

	Notes	2015 €m	2014 Restated[1] €m
Revenue	4. 6.1.	6,029	5,808
Other operating income		55	83
Consumption of current programme rights		(2,015)	(1,903)
Depreciation, amortisation, impairment and valuation allowance		(199)	(203)
Other operating expenses	6.2.	(2,750)	(2,682)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(6)	(104)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	6.3.	4	1
Profit from operating activities		**1,118**	1,000
Share of results of investments accounted for using the equity method	7.4.	57	47
Earnings before interest and taxes ("EBIT")		**1,175**	1,047
Interest income	6.4.	6	10
Interest expense	6.4.	(31)	(33)
Financial results other than interest	6.5.	13	(4)
Profit before taxes		**1,163**	1,020
Income tax expense	6.6.	(300)	(287)
Profit for the year		**863**	733
Attributable to:			
RTL Group shareholders		789	652
Non-controlling interests		74	81
Profit for the year		**863**	733
EBITA[2]		**1,167**	1,144
Impairment of goodwill of subsidiaries	7.2.	–	(88)
Impairment of investments accounted for using the equity method	7.4. 7.10.	–	4
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(6)	(16)
Re-measurement of earn-out arrangements		10	2
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	6.3.	4	1
Earnings before interest and taxes ("EBIT")		**1,175**	1,047
EBITDA[3]		**1,360**	1,347
Depreciation, amortisation and impairment		(199)	(307)
Impairment of investments accounted for using the equity method	7.4. 7.10.	–	4
Re-measurement of earn-out arrangements		10	2
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	6.3.	4	1
Earnings before interest and taxes ("EBIT")		**1,175**	1,047
Earnings per share (in €)			
– Basic	6.7.	5.14	4.25
– Diluted	6.7.	5.14	4.25

1 See note 5.2.
2 EBITA represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree
3 EBITDA represents earnings before interest and taxes excluding amortisation and impairment of non-current programme and other rights, of goodwill and of disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

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

Consolidated statement of comprehensive income

for the year ended 31 December

	Notes	2015 €m	2014 Restated[4] €m
Profit for the year		**863**	733
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations	7. 14.	9	(50)
Income tax	7. 6.	(2)	10
		7	(40)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		34	19
Effective portion of changes in fair value of cash flow hedges	7. 15. 4.	36	71
Income tax	7. 6.	(12)	(19)
		24	52
Change in fair value of cash flow hedges transferred to profit or loss	7. 15. 4.	(28)	–
Income tax	7. 6.	9	–
		(19)	–
Fair value gains/(losses) on available-for-sale financial assets	7. 15. 5.	(5)	(9)
Income tax	7. 6.	1	1
		(4)	(8)
		35	63
Other comprehensive income/(loss) for the year, net of income tax		42	23
Total comprehensive income for the year		905	756
Attributable to:			
RTL Group shareholders		829	674
Non-controlling interests		76	82
Total comprehensive income for the year		905	756

4 See note 5.2.

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

Consolidated statement of financial position

	Notes	31 December 2015 €m	31 December 2014 Restated[5] €m
Non-current assets			
Programme and other rights	7.1.	85	93
Goodwill	7.1. 7.2.	2,959	2,867
Other intangible assets	7.1.	215	199
Property, plant and equipment	7.3.	352	337
Investments accounted for using the equity method	7.4.	400	381
Loans and other financial assets	7.5. 7.8.	207	192
Deferred tax assets	7.6.	370	395
		4,588	4,464
Current assets			
Programme rights	7.7.	1,093	1,028
Other inventories		19	15
Income tax receivable		34	56
Accounts receivable and other financial assets	7.8.	2,014	1,702
Cash and cash equivalents	7.9.	449	483
		3,609	3,284
Assets classified as held for sale	7.10.	–	4
Current liabilities			
Loans and bank overdrafts	7.11.	605	583
Income tax payable		45	42
Accounts payable	7.12.	2,742	2,459
Provisions	7.13.	132	166
		3,524	3,250
Net current assets		85	38
Non-current liabilities			
Loans	7.11.	524	521
Accounts payable	7.12.	443	396
Provisions	7.13.	235	250
Deferred tax liabilities	7.6.	62	60
		1,264	1,227
Net assets		3,409	3,275
Equity attributable to RTL Group shareholders		2,954	2,828
Equity attributable to non-controlling interests		455	447
Equity	7.15.	3,409	3,275

5 See note 5.2.

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

Consolidated statement of changes in equity

	Notes	Share capital €m	Treasury shares €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Reserves and retained earnings €m	Equity attributable to RTL Group shareholders €m	Equity attributable to non-controlling interests €m	Total equity €m
Balance at 1 January 2014		**192**	**(44)**	**(168)**	**(8)**	**85**	**3,102**	**3,159**	**434**	**3,593**
Total comprehensive income:										
Profit for the year		–	–	–	–	–	652	652	81	**733**
Foreign currency translation differences	7. 15. 3.	–	–	19	–	–	–	19	–	**19**
Effective portion of changes in fair value of cash flow hedges, net of tax	7. 15. 4.	–	–	–	50	–	–	50	2	**52**
Fair value gains/(losses) on available-for-sale financial assets, net of tax	7. 15. 5.	–	–	–	–	(8)	–	(8)	–	**(8)**
Re-measurement of post-employment benefit obligations, net of tax		–	–	–	–	–	(39)	(39)	(1)	**(40)**
		–	–	19	50	(8)	613	674	82	**756**
Capital transactions with owners:										
Dividends	7. 15. 6.	–	–	–	–	–	(999)	(999)	(74)	**(1,073)**
Equity-settled transactions, net of tax	7. 15. 7.	–	–	–	–	–	3	3	3	**6**
(Acquisition)/disposal of treasury shares	7. 15. 2.	–	(1)	–	–	–	–	(1)	–	**(1)**
Transactions on non-controlling interests without a change in control	7. 15. 8.	–	–	–	–	–	3	3	6	**9**
Transactions on non-controlling interests with a change in control	7. 15. 8.	–	–	–	–	–	(21)	(21)	(1)	**(22)**
Derivatives on equity instruments	7. 15. 9.	–	–	–	–	–	(2)	(2)	(3)	**(5)**
Transactions on treasury shares of associates		–	–	–	–	–	12	12	–	**12**
		–	(1)	–	–	–	(1,004)	(1,005)	(69)	**(1,074)**
Balance at 31 December 2014 restated[6]		**192**	**(45)**	**(149)**	**42**	**77**	**2,711**	**2,828**	**447**	**3,275**
Total comprehensive income:										
Profit for the year		–	–	–	–	–	789	789	74	**863**
Foreign currency translation differences	7. 15. 3.	–	–	32	–	–	–	32	2	**34**
Effective portion of changes in fair value of cash flow hedges, net of tax	7. 15. 4.	–	–	–	25	–	–	25	(1)	**24**
Change in fair value of cash flow hedges transferred to profit and loss, net of tax	7. 15. 4.	–	–	–	(19)	–	–	(19)	–	**(19)**
Fair value gains/(losses) on available-for-sale financial assets, net of tax	7. 15. 5.	–	–	–	–	(4)	–	(4)	–	**(4)**
Re-measurement of post-employment benefit obligations, net of tax		–	–	–	–	–	6	6	1	**7**
		–	–	32	6	(4)	795	829	76	**905**
Capital transactions with owners:										
Dividends	7. 15. 6.	–	–	–	–	–	(691)	(691)	(75)	**(766)**
Equity-settled transactions, net of tax	7. 15. 7.	–	–	–	–	–	5	5	4	**9**
(Acquisition)/disposal of treasury shares	7. 15. 2.	–	(2)	–	–	–	–	(2)	–	**(2)**
Transactions on non-controlling interests without a change in control	7. 15. 8.	–	–	–	–	–	(5)	(5)	2	**(3)**
Transactions on non-controlling interests with a change in control	7. 15. 8.	–	–	–	–	–	(7)	(7)	4	**(3)**
Derivatives on equity instruments	7. 15. 9.	–	–	–	–	–	(3)	(3)	(3)	**(6)**
		–	(2)	–	–	–	(701)	(703)	(68)	**(771)**
Balance at 31 December 2015		**192**	**(47)**	**(117)**	**48**	**73**	**2,805**	**2,954**	**455**	**3,409**

6 See note 5.2.

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

Consolidated cash flow statement

for the year ended 31 December

	Notes	2015 €m	2014 Restated[7] €m
Cash flows from operating activities			
Profit before taxes		**1,163**	1,020
Adjustments for:			
– Depreciation and amortisation		**202**	206
– Value adjustments, impairment and provisions		**106**	233
– Share-based payments expenses		**9**	12
– Re-measurement of earn-out arrangements		**(10)**	(2)
– Gain on disposal of assets		**(22)**	(38)
– Financial results including net interest expense and share of results of investments accounted for using the equity method		**(15)**	16
Use of provisions	7. 13.	**(110)**	(95)
Working capital changes		**(102)**	(90)
Income taxes paid		**(238)**	(328)
Net cash from operating activities		**983**	934
Cash flows from investing activities			
Acquisitions of:			
– Programme and other rights		**(108)**	(99)
– Subsidiaries, net of cash acquired	5. 4.	**(82)**	(246)
– Other intangible and tangible assets		**(117)**	(85)
– Other investments and financial assets		**(34)**	(38)
Current deposit with shareholder	9. 1.	**–**	(75)
		(341)	(543)
Proceeds from the sale of intangible and tangible assets		**18**	7
Disposal of other subsidiaries, net of cash disposed of		**2**	1
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets	7. 4. 7. 5. 7. 8.	**49**	6
Current deposit with shareholder	9. 1.	**–**	75
Interest received		**5**	7
		74	96
Net cash used in investing activities		**(267)**	(447)
Cash flows from financing activities			
Interest paid		**(20)**	(26)
Transactions on non-controlling interests	7. 15. 8.	**(1)**	2
Acquisition of treasury shares	7. 15. 2.	**(2)**	(1)
Term loan facility due to shareholder	9. 1.	**6**	536
Proceeds from loans		**28**	17
Repayment of loans		**(6)**	(7)
Dividends paid		**(766)**	(1,073)
Net cash used in financing activities		**(761)**	(552)
Net decrease in cash and cash equivalents		**(45)**	(65)
Cash and cash equivalents and bank overdrafts at beginning of year	7. 9.	**479**	540
Effect of exchange rate fluctuation on cash held		**10**	4
Cash and cash equivalents and bank overdrafts at end of year	7. 9.	**444**	479

7 See note 5.2.

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 2015 comprise the Company and its subsidiaries (together referred to as "RTL Group" or "the Group") and the Group's interest in associates and joint ventures. RTL Group SA is the parent company of a multinational television, radio and production Group holding, directly or indirectly, investments in 550 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 2015 is set out in note 11.

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

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

The consolidated financial statements of the Group were authorised for issue by the Board of Directors on 9 March 2016.

1. 1. Statement of compliance

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

1. 2. Basis of preparation

1. 2. 1. Consolidated financial statements

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

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

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

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

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next years are discussed in note 2. Certain comparative amounts in the consolidated statement of financial position have been reclassified to conform with the current year's presentation.

1. 2. 2. Changes in accounting policy and disclosures

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

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

The following standards, amendments to standards and new interpretations are mandatory for the first time for the financial period beginning 1 January 2015:

- IFRIC 21, "Levies", sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37, "Provisions". The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The adoption of IFRIC 21 did not have a material impact on the consolidated financial statements of the Group as at 31 December 2013 and 2014;
- Annual improvements 2011 – 2013. The amendments include changes from the 2011 – 2013 cycle of the annual improvements project that affects four standards: IFRS 1, "First time adoption", IFRS 3 "Business combination", IFRS 13, "Fair value measurement" and IAS 40, "Investment property".[8, 9]

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

The following new standards and amendments have been published but are not effective for the Group's accounting period beginning on 1 January 2015. The Group has yet to assess the impact of the new standards and amendments:

- IAS 19 revised, "Defined Benefit Plans: Employee Contributions" – effective for annual periods beginning on or after 1 July 2014[10];
- Annual improvements 2010–2012. These amendments include changes from the 2010 – 2012 cycle of the annual improvements project, that affect seven standards: IFRS 2, "Share-based payment", IFRS 3, "Business Combinations", IFRS 8, "Operating segments", IFRS 13, "Fair value measurement", IAS 7, "Statement of cash flows", IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets". This implies consequential amendments to IFRS 9, "Financial instruments", IAS 37, "Provisions, contingent liabilities and contingent assets", and IAS 39, "Financial instruments – Recognition and measurement" – effective for annual periods beginning on or after 1 July 2014[10];
- "Disclosure Initiative (Amendments to IAS 1)" – effective from 1 January 2016 to encourage companies to apply professional judgement in determining the information to disclose in their financial statements;
- Amendments to IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets" on depreciation and amortisation and IAS 16, "Property, plant and equipment" and IAS 41, "Agriculture" related to accounting for bearer plants – effective from 1 January 2016. In the first amendment, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. However, there is a rebuttable presumption, that revenue-based amortisation is permitted when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated;
- Amendment to IAS 27, "Equity method in separate financial statements" – effective from 1 January 2016;
- Amendment to IFRS 10, "Consolidated financial statements", IFRS 12 "Disclosure of interests in other entities" and IAS 28, "Associates and joint ventures" on sale or contribution of assets and on investment entities applying the consolidation exception – effective from 1 January 2016[11];
- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation – effective from 1 January 2016;
- Annual improvements 2012–2014 – effective from 1 January 2016;
- IFRS 9, "Financial instruments" (and related amendment on general hedge accounting) – effective from 1 January 2018. The IASB has published the complete version of IFRS 9 which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today[11];
- IFRS 14, "Regulatory deferral accounts" – effective from 1 January 2016[11];
- IFRS 15, "Revenue from contracts with customers" applies to all contracts with customers except those that are financial instruments, leases or insurance contracts and introduces a five-step process that the Group will have to follow. The quantitative impact anticipated from implementing IFRS 15 is currently being

8 Endorsed by the European Union for periods beginning on or after 1 January 2015
9 The application of these standards, interpretations and amendments had no significant impact for the Group
10 Endorsed by the European Union for periods beginning on or after 1 February 2015. The Group will therefore apply those standards and amendments as from 1 January 2016
11 These standards and interpretations have not yet been endorsed by the European Union

determined. The new standard goes beyond just "commercial effect", "fair value" and "risk and rewards" and will also result in a significant increase in the volume of disclosures related to revenue. IFRS 15 will be effective for reporting periods beginning on or after 1 January 2018[12];
- Amendment to IAS 7, "Statement of cash flows", disclosure initiative – effective from 1 January 2017[12];
- Amendment to IAS 12, "Income taxes", recognition of deferred tax assets for unrealised losses – effective from 1 January 2017[12];
- IFRS 16, "Leases" – effective from 1 January 2019[12].

1. 3. Principles of consolidation

1. 3. 1. Subsidiaries

Subsidiaries are those undertakings controlled by the Company. Control exists when the Company has power or ability ("de facto control"), directly or indirectly, over an entity; is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity. Directly or indirectly held subsidiaries are consolidated from the date on which control is transferred to the Company, and are no longer consolidated from the date that control ceases.

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

Accounting for business combinations

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

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

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

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

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

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

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

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

12 These standards and interpretations have not yet been endorsed by the European Union

options managed on a fair value basis and related to Best of TV and Style Haul (see note 3.3.1). The charge arising is recorded as an interest expense. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

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

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

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

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

1. 3. 2. Investments accounted for using the equity method
The investments accounted for using the equity method comprise interests in associates and joint ventures.

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

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

The Group decided not to reverse any impairment loss recognised and allocated to goodwill on associates prior to 1 January 2009. This cumulated impairment loss amounted to €290 million.

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

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

1. 3. 3. Transactions eliminated on consolidation
Intra-group balances and transactions and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with investments accounted for using the equity method are eliminated to the extent of the Group's interest in the undertaking. Unrealised gains resulting from transactions with associates and joint ventures are eliminated

against the investment accounted for using the equity method. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

1. 4. Foreign currency translation

1. 4. 1. Foreign currency translations and balances

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

1. 4. 2. Financial statements of foreign operations

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

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

1. 5. Derivative financial instruments and hedging activities

Fair value

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

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

Cash flow hedging

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

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

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

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

1. 6. Current/non-current distinction

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

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

1. 7. Intangible assets

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

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

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

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

1. 7. 2. Goodwill

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

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

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

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

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

1. 8. Property, plant and equipment

1. 8. 1. Owned assets

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

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

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

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

1. 8. 2. Leases

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

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

1. 8. 3. Subsequent expenditure

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

1. 9. Loans and other financial assets

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

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

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

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

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

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

1. 10. Current programme rights

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

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

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

1. 11. Accounts receivable

Trade accounts receivable arise from the sale of goods and services related to the Group's operating activities. Other accounts receivable include, in addition to deposits and amounts related to Profit and Loss Pooling ("PLP") and Compensation Agreements with RTL Group's controlling shareholder, VAT recoverable, and prepaid expenses. Trade and other accounts receivable are measured at amortised cost. Impairment losses on trade and other accounts receivable are recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. 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, impairment and valuation allowance. When a trade receivable is uncollectible it is written off against the allowance account for trade accounts receivable. Subsequent recoveries of amounts previously written off are credited against depreciation, amortisation and impairment in the income statement.

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

1. 12. Cash and cash equivalents

Cash consists of cash in hand and at bank.

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

Bank overdrafts are included within current liabilities.

1. 13. Impairment of non-financial assets

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

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

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

1. 14. Impairment of financial assets

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

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

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

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

1. 15. Non-current assets held for sale

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

1. 16. Accounts payable

Trade accounts payable arise from the purchase of assets, goods and services relating to the Group's operating activities and include accrued expenses. 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 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 that 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 sports stars. Long-term sourcing agreements aim to secure the programme supply of broadcasters. They are mainly output deals, production agreements given the European quota obligations, and arrangements with sports organisations. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

1. 19. Employee benefits

1. 19. 1. Pension benefits

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

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

Past-service costs are recognised immediately through the profit or loss.

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

1. 19. 2. Other benefits

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

1. 19. 3. Share-based transactions

Share options are granted to directors, senior executives and other employees of the Group. They may also be granted to suppliers for settlement of their professional services.

Share options entitle holders to purchase shares at a price (the "strike price") payable at the exercise date of the options. Options are initially measured at their fair value determined on the date of grant.

The grant date fair value of equity-settled share-based payment arrangements is recognised as an expense with a corresponding increase in equity over the vesting period of the options. The amount recognised as an expense is adjusted to reflect the number of options that are expected to ultimately vest, considering vesting service conditions and non-market performance conditions.

For cash settled share-based payment arrangements, the fair value of the amount payable to employees is recognised as an expense with a corresponding increase in liability until the employees exercise their options. The liability is re-measured to fair value at each reporting date up until the settlement date. Any changes in the liability are recognised in the income statement.

The fair value of the options is measured using specific valuation models (Binomial and Black-Scholes-Merton models).

1. 20. Share capital

1. 20. 1. Equity transaction costs

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

1. 20. 2. Treasury shares

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

1. 20. 3. Dividends

Dividends on ordinary shares are recorded in the consolidated financial statements in the period in which they are approved at the Shareholders' meeting or authorised by the Board of Directors in case of interim dividends.

1. 21. Revenue presentation and recognition

Revenue relates to advertising, the production, distribution and licensing of films, programmes and other rights, the rendering of services and the sales of merchandise. Revenue is presented, net of sales deductions such as cash rebates, credit notes, discounts, refunds and VAT. Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the Group's activities.

Advertising sales are recognised during the period over which the related advertisement is broadcast or appears before the public. Sales house and other agencies' commissions are directly deducted from advertising revenue.

Revenue from the production and the distribution of films and programmes and the licensing of other rights is recognised when the customer can generate economic benefit from the exploitation of related rights and the Group has no remaining contractual obligation.

Revenue from services is recognised in the period in which the service has been rendered provided that the amount of revenue can be measured reliably.

TV platform distribution revenue is recognised when the Group's TV channels are providing a signal to cable, IPTV or satellite platforms for a fee.

The sales of merchandise are recognised when the Group has transferred the significant risks and rewards of ownership and the amount of revenue can be measured reliably.

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.

In the Director's report, "Digital" refers to the internet related activities with exception to online sales of merchandise ("e-commerce"). Digital revenue spreads over the different categories of revenue, i.e. other advertising sales, the production/distribution of films, programmes and other rights and the professional services. "Content" mainly embraces the non-scripted and scripted production and related distribution operations. "Diversification" includes the sale of merchandise through home shopping TV services, e-commerce and services rendered to consumers, for example mobile services (voice), mobile data (SMS).

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 "Other operating income" on a systematic basis in the same period in which the expenses are recognised.

Forgivable loans are loans that government and inter-governmental agencies undertake to waive repayment of under certain prescribed conditions. Forgivable loans are recognised in "Other operating income" where there is reasonable assurance the loan will be waived.

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

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

1. 24. Interest income/expense

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

1. 25. Income tax

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

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

1. 26. Discontinued operations

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

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

1. 27. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares and the shares held under the liquidity programme (see note 6.7.).

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There is currently no category of dilutive potential ordinary shares.

1. 28. Segment reporting

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

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

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

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

The segment assets include the following items:

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

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

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

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

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

The Group's accounting for non-current programme rights requires management judgement as it relates to estimates 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.

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

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

The Group tests annually whether investments accounted for using the equity method have suffered any impairment, and if any impairment should be reversed.

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

The state of the advertising market is just one of the key operational drivers which the Group uses when assessing individual business models. Other key drivers include audience shares, advertising market shares, the EBITA and EBITDA 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 of the recoverable amount of the cash-generating units, especially on those where the headroom between the recoverable amount and the carrying value is low.

2. 4. Contingent consideration and put option liabilities on non-controlling interests

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination, and subsequently re-measured at each reporting date. The determination of the fair value is based on discounted cash flow and takes into account the probability of meeting each performance target. Put option liabilities on non-controlling interests are valued based on the net present value of the expected cash outflow in case of exercise of the option by the counterparty.

2. 5. Call options on interests held by non-controlling shareholders in subsidiaries and derivatives on investments accounted for using the equity method

Call options on interests held by non-controlling shareholders in subsidiaries, and call and put option derivatives on investments accounted for using the equity method are initially recognised and subsequently re-measured at fair value through profit or loss ("Financial results other than interest") (see note 6.5.).

The magnitude of changes in fair value is driven by the terms of arrangements agreed between the parties (e.g. multiples applied) and by the valuations based on discounted cash flows ("DCF") and derived from market sources. In addition to the expected life of the options, the time value portion of the fair value of the options is largely affected by the volatility of the value of the underlying asset value.

The underlying assets are usually Level 3 investments; their value and volatility are determined as described in notes 3.3. and 7.2. respectively.

At 31 December 2015, the Group has recognised an income resulting from:

- a change in the fair value of a call option on an investment accounted for using the equity method for €3 million (see note 7.4.1.); and
- a change of €3 million in the fair value of the call option on a subsidiary (see note 5.2.). If the volatility would increase from 30 per cent to 40 per cent, the income related to the time value would amount to €7 million. If the EBITDA would increase in 2017 onwards by 1 per cent, the income related to the time value would increase to €5 million.

2. 6. Fair value of available-for-sale investments

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 (see note 7.15.5.) would be an estimated €3 million lower or higher were the discount rates used in the discounted cash flow analysis to differ by 10 per cent from management's estimates.

2. 7. Provisions for litigations

Most claims involve complex issues, and the probability of loss and an estimation of damages are difficult to ascertain. A provision is recognised when the risk of a loss becomes more likely than not and when it is possible to make a reasonable estimate of the expected financial effect. RTL Group management review, on a regular basis, the expected settlement of the provisions.

2. 8. Income, deferred and other taxes

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised. Management judgement is required to assess probable future taxable profits. In 2015, deferred tax assets on losses carry-forwards (mainly in Germany, €21 million; 2014: €25 million) and on temporary differences (mainly in Germany, €293 million; 2014: €316 million) have been reassessed on the basis of currently implemented tax strategies.

2. 9. Post-employment benefits

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

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

2. 10. Disposal groups

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

2. 11. Contingent liabilities

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

3. FINANCIAL RISK MANAGEMENT

3. 1. Financial risk factors

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

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

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

3. 1. 1. Market risk

Foreign exchange risk

Foreign exchange exposure

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

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

In addition, market practices in the television business imply a significant forward exposure to USD as programme rights are usually denominated in USD and not paid up-front. For this reason, the main off-balance sheet exposure of the Group is towards the USD in respect of future purchases and sales of programme rights, output deals (commitments for future cash flows) and highly probable forecast transactions (USD 55 million as at 31 December 2015; USD 15 million as at 31 December 2014).

Management of the foreign exchange exposure

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

The Group Treasury policy is to hedge up to 100 per cent of the recognised monetary foreign currency exposures arising from cash, accounts receivable, accounts payable, loans receivable and borrowings denominated in currencies other than the functional currency. The Group policy is to hedge between 80 per cent and 100 per cent of short-term cash flow forecasts and between 20 per cent and 80 per cent of longer term (between two and five years) cash flow forecasts. Approximately 66 per cent (2014: 75 per cent) of anticipated cash flows constitute firm commitments or highly probable forecast transactions for hedge accounting purposes.

In order to monitor the compliance of the management of the foreign exchange exposure with the Group's policy, a monthly report is produced and analysed by management. This report shows each subsidiary's exposure to currencies other than their functional currency, detailing the nature (e.g. trade accounts, royalties, intercompany accounts) of on-balance sheet items, and the underlying deals and maturities of off-balance sheet items, as well as the corresponding hedging ratios. A specific report showing the global currency exposures (mainly USD) is provided to RTL Group management on a monthly basis.

Accounting

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

- Hedged foreign currency exposures relate to programme rights transactions which have not yet been recognised on the statement of financial position (such as forecast or firm purchases of programme rights for which the licence period has not yet begun); and
- Amounts are sufficiently material to justify the need for hedge accounting.

When hedge accounting is applied, the effective portion of the changes in the fair value of the hedging instrument is recognised net of deferred tax in the hedging reserve as presented in the "Consolidated statement of changes in equity" (see note 7.15.4.). It is added to the carrying value of the hedged item when such an item is recognised in the statement of financial position. The ineffective portion of the change in fair value of the hedging instrument (including swap points) is recognised directly in profit or loss. For the year ended 31 December 2015, the amount of ineffectiveness (see note 6.5.) that has been recognised in the income statement is €3 million (€(4) million in 2014).

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

Foreign exchange derivative contracts

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

	2015 €m	2014 €m
Net fair value of foreign exchange derivative assets (see notes 7.8. and 7.12.)	**80**	62
Operating foreign exchange gains/(losses)[13]	**(3)**	13
Cash flow hedges ineffectiveness gains/(losses) (see note 6.5.)	**3**	(4)

	2015 €m	2014 €m
Less than 3 months	19	10
Less than 1 year	28	24
Less than 5 years	33	28
Net fair value of derivative assets (see notes 7.8. and 7.12.)	80	62

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

The split by maturities of notional amounts of forward exchange contracts at 31 December 2015 is, for the main foreign currencies, as follows:

	2016 £m	2017 £m	2018 £m	2019 £m	>2019 £m	**Total £m**
Buy	242	48	17	3	4	314
Sell	(317)	(59)	(9)	(1)	(2)	(388)
Total	**(75)**	**(11)**	**8**	**2**	**2**	**(74)**

	2016 $m	2017 $m	2018 $m	2019 $m	>2019 $m	**Total $m**
Buy	975	264	121	13	15	1,388
Sell	(487)	(49)	(29)	(4)	(4)	(573)
Total	**488**	**215**	**92**	**9**	**11**	**815**

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

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

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

Sensitivity analysis to foreign exchange rates

Management estimate that:

- If the USD had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact on the Group profit or loss (2014: no material impact), and an additional pre-tax €62 million income (respectively expense) (2014: an income of €62 million) recognised in equity;
- If the GBP had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact on the Group profit or loss (2014: no material impact), and an additional pre-tax € nil million expense (respectively income) (2014: an expense of €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 (2014: no material impact).

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

Interest rate risk

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

The objective of the interest rate risk management policy is to minimise the interest rate funding cost over the long-term and to maximise the excess cash return.

In 2013, the Group entered into a 10-year-term loan facility in the amount of €500 million with a fixed interest rate of 2.713 per cent per year. The term loan matures on 7 March 2023. The fair value of the 10-year-term facility – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and RTL Group credit spread – amounts to €548 million (2014: €555 million). This is a Level 2 fair value measurement (see note 3.3.2.). Under the same shareholder loan agreement, the Group also has access to a revolving and swing line facility of up to €1 billion. The revolving and swing line facility matures on 24 February 2018. The interest rates for loans under the revolving and swing line facility are EURIBOR plus a margin of 0.60 per cent per year and EONIA plus a margin of 0.60 per cent per year, respectively. The balance between the fixed versus floating rate ratio might change substantially following the loan agreements described above. Management intend to maintain a suitable fixed versus floating rate ratio, taking into account interest rate yield curves. This percentage can be reviewed at the discretion of the Treasury Committee until the optimum mix between fixed and floating rates has been achieved.

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

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

Group Treasury uses various indicators to monitor interest rate risk, such as a targeted net fixed/floating rate debt ratio, duration, basis point value (increase in interest rate costs resulting from a basis point increase in interest rate) and interest cover ratio (i.e. adjusted EBITA over net interest expense as defined by rating agencies).

If the interest rates achieved had been lower (respectively higher) by 100 basis points, and assuming the current amount of floating net cash available remains constant, the net interest income/(expense) at 31 December 2015 would have been decreased (respectively increased) by €2 million (2014: €1 million).

The following table indicates the effective interest rate of interest-earning financial assets and interest-bearing financial liabilities at 31 December and the periods in which they re-price:

	Notes	Effective interest rate %	Total amount[14] €m	6 months or less €m	6–12 months €m	1–2 years €m	2–5 years €m	Over 5 years €m
Loans to investments accounted for using the equity method – not bearing interest	7.8.	–	5	–	1	–	4	–
Loans to investments accounted for using the equity method – floating rate	7.5.	2.0	3	–	3	–	–	–
Other loans – fixed rate	7.5.	5.2	9	7	2	–	–	–
Other loans – floating rate	7.5.	0.1	3	2	1	–	–	–
Cash and cash equivalents – earning assets	7.9.	0.3	449	449	–	–	–	–
Bank loans – fixed rate	7.11.	5.2	(9)	(7)	(2)	–	–	–
Bank loans – floating rate	7.11.	3.1	(16)	–	(16)	–	–	–
Term loan facility due to shareholder – fixed rate	7.11.	2.7	(500)	–	–	–	–	(500)
Revolving loan facility due to shareholder – floating rate	7.11.	0.5	(542)	(542)	–	–	–	–
Loans due to investments accounted for using the equity method – floating rate	7.11.	0.2	(11)	(11)	–	–	–	–
Bank overdrafts	7.11.	2.1	(5)	(5)	–	–	–	–
Leasing liabilities – fixed rate	7.11.	3.0	(2)	(1)	(1)	–	–	–
Loans payable – not bearing interest	7.11.	–	(12)	(1)	–	(7)	(1)	(3)
Loans payable – fixed rate	7.11.	8.0	(1)	(1)	–	–	–	–
Loans payable – floating rate	7.11.	1.2	(16)	(16)	–	–	–	–
At 31 December 2015			**(645)**	**(126)**	**(12)**	**(7)**	**3**	**(503)**

14 Excluding accrued interests

	Notes	Effective interest rate %	Total amount[15] €m	6 months or less €m	6–12 months €m	1–2 years €m	2–5 years €m	Over 5 years €m
Loans to investments accounted for using the equity method – fixed rate	7. 8.	5.4	1	–	–	–	1	–
Loans to investments accounted for using the equity method – floating rate	7. 5.	1.3	3	–	3	–	–	–
Other loans – fixed rate	7. 5.	3.4	39	20	11	8	–	–
Other loans – floating rate	7. 5.	0.6	5	4	1	–	–	–
Cash and cash equivalents – earning assets	7. 9.	0.3	483	483	–	–	–	–
Bank loans – fixed rate	7. 11.	5.2	(19)	–	(11)	(8)	–	–
Bank loans – floating rate	7. 11.	1.4	(2)	(2)	–	–	–	–
Term loan facility due to shareholder – fixed rate	7. 11.	2.7	(500)	–	–	–	–	(500)
Revolving loan facility due to shareholder – floating rate	7. 11.	0.7	(536)	(536)	–	–	–	–
Loans due to investments accounted for using the equity method – floating rate	7. 11.	0.2	(5)	(5)	–	–	–	–
Bank overdrafts	7. 11.	0.1	(4)	(4)	–	–	–	–
Leasing liabilities – fixed rate	7. 11.	5.6	(1)	(1)	–	–	–	–
Leasing liabilities – floating rate	7. 11.	0.3	(2)	–	(2)	–	–	–
Loans payable – not bearing interest	7. 11.	–	(5)	–	–	(1)	(1)	(3)
Loans payable – floating rate	7. 11.	1.8	(15)	(15)	–	–	–	–
At 31 December 2014			**(558)**	**(56)**	**2**	**(1)**	**–**	**(503)**

3. 1. 2. Credit risk

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

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

The Group's television and radio operations incur exposure to credit risk when making transactions with advertising agencies or direct customers. In 2015, the combined television and radio advertising revenue contributed 54 per cent of the Group's revenue (2014: 55 per cent). Due to its business model, RTL Group's exposure to credit risk is directly linked to the final client. However the risks are considered as low due to the size of the individual companies or agency groups involved.

RTL Group produces programmes that are sold or licensed to state-owned and commercial television channels. In 2015, these activities contributed 22 per cent of the Group's revenue (2014: 21 per cent). Given the limited number of television broadcasters in different countries, there is a high degree of concentration of credit risk. However, given the long-standing relationships between content 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.

15 Excluding accrued interests

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 €55 million and € nil million) at 31 December 2015:

			Not impaired as of the reporting date and past due by					
	Gross carrying amount[16] €m	Neither past due nor impaired on the reporting date €m	<= 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	40	17	–	–	–	–	–	23
Trade accounts receivable	1,249	862	184	82	41	13	5	62
Accounts receivable and loans receivable to investment accounted for using the equity method	44	39	2	2	1	–	–	–
Other accounts receivable and current financial assets	620	611	2	–	–	–	–	7
Cash and cash equivalents	449	449	–	–	–	–	–	–
At 31 December 2015	**2,402**	**1,978**	**188**	**84**	**42**	**13**	**5**	**92**

Ageing of financial assets (excluding available-for-sale and fair value through profit or loss investments for respectively €58 million and € nil million) at 31 December 2014:

			Not impaired as of the reporting date and past due by					
	Gross carrying amount[17] €m	Neither past due nor impaired on the reporting date €m	<= 1 month €m	2–3 months €m	3–6 months €m	6–12 months €m	Over 1 year €m	Gross amount impaired €m
Loans and other non-current financial assets	74	47	–	–	–	–	–	27
Trade accounts receivable	1,095	757	162	59	36	17	12	52
Accounts receivable and loans receivable to investment accounted for using the equity method	33	31	2	–	–	–	–	–
Other accounts receivable and current financial assets	493	482	3	–	–	–	–	8
Cash and cash equivalents	483	483	–	–	–	–	–	–
At 31 December 2014	**2,178**	**1,800**	**167**	**59**	**36**	**17**	**12**	**87**

The top ten trade accounts receivable represent €124 million (2014: €102 million) while the top 50 trade accounts receivable represent €310 million (2014: €275 million).

The top ten counterparties for cash and cash equivalents represent €88 million (2014: €219 million).

The Group has a significant concentration of credit risk due to its relationship with Bertelsmann. Nevertheless, credit risk arising from transactions with shareholders is significantly mitigated (see note 9.1.).

3. 1. 3. Price risk

The Group is subject to price risks linked to equity securities, earn-out mechanisms, put options on non-controlling interests and derivatives on subsidiaries and investment accounted for using the equity method (see note 2.5.).

3. 1. 4. 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

16 At 31 December 2015, cumulated valuation allowances amount to €88 million of which €4 million on collective basis. The latter are not taken into account in the table above
17 At 31 December 2014, cumulated valuation allowances amount to €83 million of which €4 million on collective basis. The latter are not taken into account in the table above

operating entities of the Group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts on the Group's liquidity requirements to ensure it has sufficient headroom to meet operational needs. Management monitor, on a monthly basis, the level of the "Liquidity Head Room" (total committed facilities minus current utilisation through bank loans and guarantees).

	Under 1 year €m	1–5 years €m	Over 5 years €m	2015 €m
Credit facilities – banks				
Committed facilities	279	–	–	**279**
Headroom	53	–	–	**53**

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

Surplus cash held by the operating entities over and above balances required for working capital management is transferred to Group Treasury. Group Treasury invests surplus cash in interest bearing current accounts, time deposits, money market funds or deposits with Bertelsmann SE & Co. KGaA (see note 9.1.) choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the closing date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Under 1 year €m	1–5 years €m	Over 5 years €m	Total €m
Non-derivative financial liabilities				
Loans and bank overdrafts	619	73	539	**1,231**
Accounts payable[18]	2,210	158	15	**2,383**
At 31 December 2015	**2,829**	**231**	**554**	**3,614**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	702	153	–	**855**
– Inflow	(685)	(148)	–	**(833)**
At 31 December 2015	**17**	**5**	**–**	**22**

	Under 1 year €m	1–5 years €m	Over 5 years €m	Total €m
Non-derivative financial liabilities				
Loans and bank overdrafts	597	71	551	**1,219**
Accounts payable[18]	1,966	146	22	**2,134**
At 31 December 2014	**2,563**	**217**	**573**	**3,353**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	654	62	–	**716**
– Inflow	(640)	(60)	–	**(700)**
At 31 December 2014	**14**	**2**	**–**	**16**

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

3. 2. Capital management

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

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

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

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

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

The adjusted net profit takes into account non-recurring items, both positive and negative, impacting the reported net result attributable to RTL Group shareholders. The non-recurring items include gains or losses that appear in the financial statement that are not expected to occur regularly, such as impairment of goodwill, material gains/losses on disposal of assets, restructuring costs and re-measurement to fair value of pre-existing interests in acquiree.

3. 3. Accounting classifications and fair value hierarchy

3. 3. 1. Financial instruments by category

The fair value of each class of financial assets and liabilities are equivalent to their carrying amount.

	Notes	Assets at fair value through profit or loss €m	Derivatives[19] €m	Loans and accounts receivable €m	Available-for-sale investments €m	Total €m
Assets						
Loans and other financial assets (surplus of the defined benefit plans excluded)	7. 5.	–	–	13	55	**68**
Accounts receivable and other financial assets[20]	7. 8.	–	108	1,853	–	**1,961**
Cash and cash equivalents	7. 9.	–	–	449	–	**449**
At 31 December 2015		**–**	**108**	**2,315**	**55**	**2,478**

	Notes	Liabilities at fair value through profit or loss[21] €m	Derivatives[22] €m	Other financial liabilities[23] €m	Total €m
Liabilities					
Loans and bank overdrafts	7. 11.	–	–	1,129	**1,129**
Accounts payable[24]	7. 12.	28	22	2,328	**2,378**
At 31 December 2015		**28**	**22**	**3,457**	**3,507**

19 ■ Out of which €52 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 (see note 3.1.1.)
■ Out of which €50 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied (see note 3.1.1.)
■ Out of which €6 million are fair value of call options on subsidiaries and on investments accounted for using the equity method

20 Accounts receivable exclude prepaid expenses, other tax receivables and other non-financial receivables

21 Include put options on non-controlling interests which have been designated at fair value through profit or loss

22 ■ Out of which €5 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 (see note 3.1.1.)
■ Out of which €17 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied (see note 3.1.1.)

23 At amortised cost

24 Accounts payable exclude employee benefits liability, deferred income, social security and other tax payables, advance payments and other non-financial liabilities

	Notes	Assets at fair value through profit or loss €m	Derivatives[25] €m	Loans and accounts receivable €m	Available-for-sale investments €m	Total €m
Assets						
Loans and other financial assets (surplus of the defined benefit plans excluded)	7.5.	–	–	18	58	**76**
Accounts receivable and other financial assets[26]	7.8.	–	78	1,596	–	**1,674**
Cash and cash equivalents	7.9.	–	–	483	–	**483**
At 31 December 2014		**–**	**78**	**2,097**	**58**	**2,233**

	Notes	Liabilities at fair value through profit or loss[27] €m	Derivatives[28] €m	Other financial liabilities[29] €m	Total €m
Liabilities					
Loans and bank overdrafts	7.11.	–	–	1,104	**1,104**
Accounts payable[30]	7.12.	30	16	2,079	**2,125**
At 31 December 2014		**30**	**16**	**3,183**	**3,229**

3.3.2. Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities);
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or the liability that are not based on observable market data (unobservable inputs).

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Available-for-sale investments (see note 2.6.)	**55**	8	–	47
Derivatives used for hedging (see note 3.1.1.)	**102**	–	102	–
Derivatives in relation to call options (see note 2.5.)	**6**	–	–	6
At 31 December 2015	**163**	**8**	**102**	**53**
Liabilities				
Derivatives used for hedging (see note 3.1.1.)	**22**	–	22	–
Liabilities in relation to put options on non-controlling interests (see note 5.2.)	**28**	–	–	28
At 31 December 2015	**50**	**–**	**22**	**28**

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Available-for-sale investments (see note 2.6.)	**58**	8	–	50
Derivatives used for hedging (see note 3.1.1.)	**78**	–	78	–
At 31 December 2014	**136**	**8**	**78**	**50**
Liabilities				
Derivatives used for hedging (see note 3.1.1.)	**16**	–	16	–
Liabilities in relation to put options on non-controlling interests (see note 5.2.)	**30**	–	–	30
At 31 December 2014	**46**	**–**	**16**	**30**

There were no transfers between Levels 1, 2 and 3 during the years 2015 and 2014.

25 ■ Out of which €54 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 (see note 3.1.1.)
■ Out of which €24 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied (see note 3.1.1.)
26 Accounts receivable exclude prepaid expenses, other tax receivables and other non-financial receivables
27 Include put options on non-controlling interests which have been designated at fair value through profit or loss
28 ■ Out of which €3 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 (see note 3.1.1.)
■ Out of which €13 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied (see note 3.1.1.)
29 At amortised cost
30 Accounts payable exclude employee benefits liability, deferred income, social security and other tax payables, advance payments and other non-financial liabilities

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The quoted market price used for financial assets by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

Specific valuation techniques used to value financial instruments include:
- Quoted market prices or dealer quotes for similar instruments (Level 2);
- The fair value of forward foreign exchange contracts classified under Level 2 is determined by using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- For instruments classified under Level 3, other techniques, such as discounted cash flow analysis, based for the main instruments on the significant unobservable inputs (e.g. forecast revenue growth rates and market multiples are used to determine fair value for the remaining financial instruments) or the Black-Scholes model. Volatility is primarily determined by reference to comparable publicly traded peers.

The following table presents the change in Level 3 instruments for the year ended 31 December 2015:

	Financial assets at fair value through profit or loss €m	Available-for-sale investments €m	**Total assets €m**	Liabilities at fair value through profit or loss €m
Balance at 1 January	–	50	**50**	30
Acquisitions and additions	–	1	**1**	–
Gains and losses recognised in other comprehensive income	–	(4)	**(4)**	–
Gains and losses recognised in profit or loss ("Financial results other than interest", see note 6.5.)	6	–	**6**	(4)
Effect of movements in foreign exchange	–	–	**–**	2
Balance at 31 December	6	47	**53**	28
Total gains / (losses) for the period included in profit or loss for assets and liabilities held at the end of the reporting period (see note 2.5.)	**6**	**–**	**6**	**–**

The following table presents the change in Level 3 instruments for the year ended 31 December 2014:

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

3. 4. Master netting agreement

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Group does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a bank loan default or other credit events.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements. The column "net amount" shows the impact on the Group's statement of financial position if all set off rights were exercised.

	At 31 December 2015			At 31 December 2014		
	Gross amounts in the statement of financial position €m	**Related financial instruments that are not offset €m**	**Net amount €m**	Gross amounts in the statement of financial position €m	Related financial instruments that are not offset €m	Net amount €m
Financial assets						
Derivative financial instruments						
– Forward exchange contracts used for hedging	**102**	**(22)**	**80**	78	(16)	62
	102	**(22)**	**80**	78	(16	62
Financial liabilities						
Derivative financial instruments						
– Forward exchange contracts used for hedging	**(22)**	**22**	**–**	(16)	16	–
	(22)	**22**	**–**	(16)	16	–

4. SEGMENT REPORTING

The determination of the Group's operating segments is based on the operational and management-related entities for which information is reported to the Executive Committee.

The Group has 16 business units (of which Atresmedia and Radical Media are accounted for using the equity method), each one led by a CEO. They manage operations in television, radio and diversification businesses in eight European countries and across South East Asia. The Group owns interests in 57 TV channels and 30 radio stations, of which six TV channels and three radio stations are held by Atresmedia as an associate. BroadbandTV, FremantleMedia, Radical Media as an associate, SpotX and Style Haul operate international networks in the content and digital businesses.

The following reported segments meet the quantitative thresholds required by IFRS 8:

- **Mediengruppe RTL Deutschland**: this segment encompasses all of the Group's German television activities. These include the leading commercial channel RTL Television, free-to-air channels Vox, Super RTL (through RTL Disney Fernsehen GmbH & Co. KG, joint-venture accounted for using the equity method), RTL Nitro and N-TV, thematic pay channels RTL Crime, RTL Living, RTL Passion and Geo Television, and an equity participation in the free-to-air channel RTL II. This segment also includes an array of diversification activities such as new media and content;
- **Groupe M6**: primarily composed of the commercial free-to-air TV channel M6. This segment also includes two other free-to-air television channels, W9 and 6ter, a number of smaller thematic pay channels, plus significant other activities such as new media, home shopping, rights distribution and a football club;
- **FremantleMedia**: principally a worldwide production business but other activities include a significant distribution and licensing business. Its main business units are based in the United States, Germany, the United Kingdom and Australia;
- **RTL Nederland**: this segment covers television, radio and a wide range of new media and diversification activities. Its television channels cover RTL 4, RTL 5, RTL 7, RTL 8, RTL Z, RTL Lounge, RTL Crime and RTL Telekids, which are the leading family of channels in the Netherlands;
- **RTL Belgium**: this segment includes both television and radio activities primarily focused on the French-speaking (southern) part of Belgium. The television activities are the leading family of channels and include RTL-TVI, Plug RTL and Club RTL, while the radio activities are made up of the number one and number three stations, Radio Contact, Bel RTL and Mint;
- **RTL Radio (France)**: this is the leading radio family in France and includes the stations RTL Radio, RTL 2 and Fun Radio.

The revenue of "Other segments" amount to €437 million (2014: €317 million); RTL Hungary is the major contributor for €100 million (2014: €102 million). Group headquarters, which provide services and initiate development projects, are also reported in "Other segments".

RTL Group's Executive Committee assesses the performance of the operating segments based on EBITA and EBITDA. 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.

4. 1. Segment information

	Mediengruppe RTL Deutschland 2015 €m	Mediengruppe RTL Deutschland 2014 €m	Groupe M6 2015 €m	Groupe M6 2014 €m
Revenue from external customers	**2,135**	2,044	**1,244**	1,289
Inter-segment revenue	**5**	3	**10**	6
Total revenue	**2,140**	2,047	**1,254**	1,295
Profit/(loss) from operating activities	**649**	615	**198**	207
Share of results of investments accounted for using the equity method	**37**	34	**1**	(1)
EBIT	**686**	649	**199**	206
EBITDA	**701**	665	**325**	327
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)	**(17)**	(15)	**(120)**	(118)
EBITA	**684**	650	**205**	209
Impairment of goodwill of subsidiaries	**–**	–	**–**	–
Impairment of investments accounted for using the equity method	**–**	–	**–**	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	**(1)**	(1)	**(5)**	(4)
Re-measurement of earn-out arrangements	**3**	–	**(1)**	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**–**	–	**–**	1
EBIT	**686**	649	**199**	206
Interest income				
Interest expense				
Financial results other than interest				
Income tax expense				
Profit for the year				
Segment assets (assets classified as held for sale and investments accounted for using the equity method excluded)	**1,540**	1,561	**1,508**	1,477
Investments accounted for using the equity method	**75**	75	**6**	6
Assets classified as held for sale	**–**	–	**–**	–
Segment assets	**1,615**	1,636	**1,514**	1,483
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	**999**	950	**572**	643
Segment liabilities	**999**	950	**572**	643
Invested capital	**616**	686	**942**	840
Segment assets				
Deferred tax assets				
Income tax receivable				
Other assets[31]				
Cash and cash equivalents				
Total assets				
Segment liabilities				
Deferred tax liabilities				
Income tax payable				
Other liabilities				
Total liabilities				
Capital expenditure[32]	**20**	43	**145**	121
Depreciation and amortisation	**(14)**	(16)	**(125)**	(122)
Impairment losses excluding goodwill	**(4)**	–	**–**	–
Impairment of goodwill of subsidiaries and of disposal group	**–**	–	**–**	–

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

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m
1,360	1,341	488	457	199	197	166	163	437	317	–	–	6,029	5,808
164	145	2	–	1	2	2	3	41	43	(225)	(202)	–	–
1,524	1,486	490	457	200	199	168	166	478	360	(225)	(202)	6,029	5,808
111	85	103	104	45	47	24	21	(11)	(79)	(1)	–	1,118	1,000
1	6	(2)	(1)	–	–	–	–	20	9	–	–	57	47
112	91	101	103	45	47	24	21	9	(70)	(1)	–	1,175	1,047
125	149	111	110	50	50	28	25	21	21	(1)	–	1,360	1,347
(22)	(36)	(10)	(7)	(5)	(4)	(4)	(4)	(15)	(19)	–	–	(193)	(203)
103	113	101	103	45	46	24	21	6	2	(1)	–	1,167	1,144
–	(9)	–	–	–	–	–	–	–	(79)	–	–	–	(88)
–	4	–	–	–	–	–	–	–	–	–	–	–	4
–	–	–	–	–	–	–	–	–	(11)	–	–	(6)	(16)
9	2	–	–	–	–	–	–	(1)	–	–	–	10	2
–	(19)	–	–	–	1	–	–	4	18	–	–	4	1
112	91	101	103	45	47	24	21	9	(70)	(1)	–	1,175	1,047
												6	10
												(31)	(33)
												13	(4)
												(300)	(287)
												863	733
1,903	1,678	423	388	168	165	165	168	715	646	(120)	(133)	6,302	5,950
17	16	7	7	–	–	–	–	295	277	–	–	400	381
–	4	–	–	–	–	–	–	–	–	–	–	–	4
1,920	1,698	430	395	168	165	165	168	1,010	923	(120)	(133)	6,702	6,335
539	456	153	118	102	110	63	61	384	367	(116)	(133)	2,696	2,572
539	456	153	118	102	110	63	61	384	367	(116)	(133)	2,696	2,572
1,381	1,242	277	277	66	55	102	107	626	556	(4)	–	4,006	3,763
												6,702	6,335
												370	395
												34	56
												642	483
												449	483
												8,197	7,752
												2,696	2,572
												62	60
												45	42
												1,985	1,803
												4,788	4,477
46	32	13	12	4	6	2	3	45	252	–	–	275	469
(22)	(35)	(10)	(7)	(5)	(4)	(4)	(4)	(22)	(19)	–	–	(202)	(207)
–	(1)	–	–	–	–	–	–	7	(11)	–	–	3	(12)
–	(9)	–	–	–	–	–	–	–	(79)	–	–	–	(88)

Restructuring costs are insignificant (2014: €5 million)

4. 2.

Geographical information

Geographical areas are based on where customers (revenue) and the Group's non-current assets are located. Goodwill has been allocated to a geographical area based on whether the Group's risks and returns are affected predominantly by the products and services it produces.

	Germany		France		USA		The Netherlands		UK		Belgium		Other regions		Total	
	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m
Revenue from external customers	**2,151**	2,155	**1,394**	1,427	**768**	599	**509**	475	**246**	218	**223**	230	**738**	704	**6,029**	5,808
Non-current assets	**1,000**	1,011	**941**	920	**728**	688	**309**	303	**409**	409	**50**	48	**174**	117	**3,611**	3,496
Assets classified as held for sale	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	4	**–**	4
Capital expenditure	**25**	50	**153**	124	**8**	236	**16**	12	**2**	1	**5**	6	**66**	40	**275**	469

The revenue generated in Luxembourg amounts to €73 million (2014: €47 million). The total of non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets located in Luxembourg amounts to €65 million (2014: €47 million).

5. ACQUISITIONS AND DISPOSALS

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

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

In aggregate, the acquired businesses contributed revenue of €31 million and profit attributable to RTL Group shareholders of €2 million for the post acquisition period to 31 December 2015. Had the business combinations occurred at the beginning of the year, the revenue and the profit attributable to RTL Group shareholders would have amounted to €6,037 million and €788 million, respectively.

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

2015

Oxygem

On 9 January 2015, Groupe M6 acquired 100 per cent of Oxygem SA and its subsidiaries ("Oxygem"). Oxygem operates various websites. The acquisition strengthens the monetisation capabilities of Groupe M6 in the online advertising market and will generate significant synergies by cross-fertilising digital expertise. The transaction qualifies as a business combination since RTL Group gained the control of Oxygem.

The purchase consideration amounts to €18 million, net of cash acquired and, in addition, the reimbursement of a loan previously granted to Oxygem by the seller (€6 million). The fair value of the brand names, subscriber base and technology has been measured for €8 million, of which €7 million for the brand names. A corresponding deferred tax liability has been recognised for €3 million. As a result, a goodwill of €17 million has been recognised. The latter is attributable mainly to the synergies expected and to the skills and expertise of the Oxygem workforce. The goodwill will not be tax deductible. Oxygem is allocated to the Groupe M6 cash generating unit.

Transaction-related costs amount to €0.2 million and are reported in "Operating expenses".

	Fair value at date of gain of control €m
Cash and cash equivalents	2
Other intangible assets	8
Accounts receivable and other financial assets	7
Accounts payable	(3)
Employee benefit obligations	(2)
Loans	(7)
Net deferred tax liabilities	(2)
Net assets acquired	**3**
Goodwill	17
Total purchase consideration	**20**
Loan previously granted by the seller	6
Cash and cash equivalents in operations acquired	(2)
Cash outflow on acquisition	**24**

YoBoHo

On 1 April 2015, BroadbandTV Corp. ("BBTV") acquired 87.6 per cent (71.3 per cent on a fully diluted basis) of YoBoHo New Media Private Limited and its subsidiary YoBoHo New Media Inc. ("YoBoHo"). RTL Group consequently holds an interest of 50.3 per cent (36.9 per cent on a fully diluted basis) in YoBoHo. YoBoHo, which is based in Mumbai, produces kids-and-family oriented video for distribution across digital platforms. The acquisition of YoBoHo supports RTL Group's ambitions to secure a leading position in the global online video market. The transaction qualifies as a business combination since RTL Group gained the control of YoBoHo.

The purchase consideration, partly contributed to YoBoHo, amounts to €8 million, net of cash acquired and contingent on a cash-and-debt free position adjusted for normalised working capital. The identified intangible assets amount to €4 million and reflect the value placed in original characters (€2 million) and trade names and a non-compete agreement (€2 million). A corresponding deferred tax liability has been recognised for €1 million. Goodwill of €6 million corresponds to the value of creative talent, workforce and synergies. The goodwill will not be tax deductible. YoBoHo is allocated to the BBTV cash generating unit.

BBTV also benefits from a call option for the remaining non-controlling interests. The call window opens two years from closing and ends 18 months thereafter; the non-capped strike price is determined based on the fair value of YoBoHo.

Transaction-related costs of €0.5 million are reported in "Operating expenses".

	Fair value at date of gain of control €m
Non-current programme and other rights	2
Other intangible assets	2
Accounts receivable and other financial assets	1
Accounts payable	(1)
Net deferred tax liabilities	(1)
Non-controlling interests	(1)
Net assets acquired	**2**
Goodwill	6
Total purchase consideration	**8**
Cash outflow on acquisition	**8**

UFA Sports

On 20 April 2015, RTL Group agreed with Lagardère Unlimited Germany GmbH ("Lagardère Unlimited") to fully dispose of the interests held in UFA Sports GmbH and some of its subsidiaries ("UFA Sports"). The subsidiaries apareo Holding GmbH, apareo Deutschland GmbH and UFA Sports Asia Pte Ltd were excluded from the deal and remained with RTL Group. The German competition authorities approved the transaction on 15 June 2015. In consequence, RTL Group lost control of UFA Sports and derecognised all related assets and liabilities. In conjunction with the disposal, UFA Sports repaid the net amounts owed to and by RTL Group of €11 million thanks to the reserve contribution made by the acquirer Lagardère Unlimited (€6 million). At the same time, RTL Group equalised the net cash position of UFA Sports for €2.5 million, of which €1.4 million for a guarantee granted for commercial bad debts.

	2015 €m
Cash and cash equivalents	(1)
Intangible assets	(6)
Loans and other financial assets	(3)
Accounts receivable	(11)
Accounts payable	6
Employee benefit obligations	1
Loans	1
Net assets disposed	**(13)**
Capital reserve injection by the acquirer	6
Incremental costs associated with the disposal	(3)
Waiver of financial liability	3
Loss on the disposal	**(7)**
Waiver of financial liability	(3)
Cash and cash equivalents in operations disposed	(1)
Cash inflow on disposal	**2**

Wildside

On 7 August 2015, FremantleMedia Group Ltd ("FremantleMedia") acquired a 62.5 per cent stake in Wildside Srl and its 100 per cent affiliates ("Wildside"). Wildside is an Italian television and feature film production entity. The acquisition enhances FremantleMedia's scripted presence in the Italian market and bolsters the global content pipeline of the Group overall. The transaction qualifies as a business combination since RTL Group gained the control of Wildside.

The purchase consideration amounts to €34 million, including €9 million bank overdrafts, net of cash. Intangible assets have been recognised for €3 million, reflecting the value placed in non-compete agreements (€1 million), trade name and customer contracts (€2 million). A corresponding deferred tax liability has been recognised for €1 million. Goodwill of €22 million represents the value of creative talent and skills of Wildside's workforce. The goodwill will not be tax deductible. Wildside is allocated to the FremantleMedia cash generating unit.

The remaining 37.5 per cent interest is subject to call and put options exercisable at the latest in 2020. The strike prices are based on a variable component. The consideration for 100 per cent of Wildside is capped at €75 million excluding working capital funding required. The put option has been recognised at the acquisition date for an amount of €8 million (nominal value) through equity as a liability representing the present value of the redemption amount. The financial liability is subsequently measured at amortised cost and remained unchanged at 31 December 2015. The fair value of the call option is € nil million at 31 December 2015.

Transaction-related costs of €0.8 million, mainly consisting of legal fees and due diligence costs, are reported in "Other operating expenses".

	Fair value at date of gain of control €m
Non-current programme and other rights	6
Other intangible assets	3
Loans and other financial assets	3
Current programme rights	11
Accounts receivable and other financial assets	12
Accounts payable	(14)
Bank overdrafts, net of cash and cash equivalents	(9)
Loans	(7)
Non-controlling assets	(2)
Net assets acquired	**3**
Goodwill	22
Total purchase consideration	**25**
Bank overdrafts, net of cash and cash equivalents	(9)
Cash outflow on acquisition	**34**

Kwaï

On 1 October 2015, FremantleMedia Overseas Holding BV ("FremantleMedia") acquired a 51 per cent stake in Kwaï SAS ("Kwaï"), a French television production company focused on prime-time TV films and series, further expanding its capabilities in the scripted business. The transaction qualifies as a business combination since RTL Group gained the control of Kwaï. The purchase consideration of €6 million, net of cash acquired, includes a contingent consideration based on a variable performance component. Goodwill of €6 million represents the value of creative talent of Kwaï's workforce and will not be tax deductible. Kwaï is allocated to the FremantleMedia cash generating unit.

FremantleMedia holds a call option for the remaining 49 per cent. The strike price of the option, exercisable in 2020, is based on a variable component. The consideration for 100 per cent of Kwaï is capped at €25 million. If FremantleMedia does not exercise the call option, the non-controlling shareholders will have the option to acquire the shares held by the Group. The fair value of the related derivative is € nil million at 31 December 2015.

Transaction-related costs of €0.2 million, mainly consisting of legal fees, are reported in "Other operating expenses".

	Fair value at date of gain of control €m
Cash and cash equivalents	1
Current programme rights	6
Accounts receivable and other financial assets	1
Accounts payable	(6)
Loans	(1)
Net assets acquired	**1**
Goodwill	6
Total purchase consideration	**7**
Cash and cash equivalents in operations acquired	(1)
Contingent consideration	(2)
Cash outflow on acquisition	**4**

Other acquisitions and disposals, increases in interest held in subsidiaries

On 7 January 2015, RTL Group acquired 100 per cent of Dinnersite BV ("Dinnersite"), an online restaurant guide. The combination with Couverts, the online table reservation portal owned by RTL Nederland Ventures BV, creates a leading position in the Dutch online restaurant booking market. The transaction qualifies as a business combination since RTL Group gained the control of Dinnersite. The purchase consideration amounted to below €1 million, net of cash acquired. Goodwill is € nil million. Dinnersite BV has been merged into Couverts Reserveren BV in 2015.

RTL Group, through FremantleMedia North America Inc, incorporated on 13 March 2015 the new company Big Balls LLC, held at 95 per cent, in order to launch a digital broadcasting network ("digi-net") in the US called Buzzr, scheduling FremantleMedia's large library of classic game shows.

On 1 April 2015, RTL Nederland BV ("RTL NL") acquired 100 per cent of Grand Gear Media BV, which operates a Dutch digital platform named Bright, a cross-media platform operating in the field of innovative lifestyle related content with a focus on technology, lifestyle and design and the Bright Assets and all Bright digital platforms and databases such as Bright.nl, Uitpakparty, Bright Ideas, Bright Store and events. The transaction qualifies as a business combination since RTL Group gained control; goodwill is € nil million. Grand Gear Media BV has been merged into RTL Nederland BV in 2015.

On 1 April 2015, RTL Group gained the control of Dutch Learning Company BV ("DLC") through a capital increase of €1 million. From that date, RTL Group holds 80.3 per cent of the share capital of DLC. As a result, a goodwill of €1 million has been recognised. The goodwill will not be tax deductible. Before 1 April 2015, DLC was accounted for using the equity method. The measurement at fair value of the 37.8 per cent interest previously held was insignificant. Since 1 August 2015, RTL Group holds 100 per cent of the share capital of DLC (see note 7.15.8.).

On 7 April 2015, the non-controlling interests of The Entertainment Group BV ("TEG") agreed with RTL Nederland Interactief BV ("RTL Interactief") on the transfer of the remaining 35 per cent held in the share capital for an amount of €3 million fully paid at 30 June 2015. On 22 July 2013, RTL Group had gained control of TEG, which had been consolidated at 100 per cent.

On 7 September 2015, FremantleMedia Overseas Holdings BV acquired a controlling interest of 51 per cent in Fontaram SAS, a recently launched company. This opportunity enables FremantleMedia to develop new drama content. The purchase consideration is € nil million. FremantleMedia has the ability to buy the remaining 49 per cent shares through a "promise to sell" mechanism where the founders undertake to sell their shares to FremantleMedia. The strike price is based on a variable component. If FremantleMedia does not accept the offer, the non-controlling shareholders will have the option to acquire the shares held by the Group. The fair value of the related derivative is € nil million at 31 December 2015. The consideration for 100 per cent of Fontaram is capped at €20 million.

On 11 September 2015, FremantleMedia Netherlands BV ("FremantleMedia") acquired 75 per cent of No Pictures Please Productions BV ("NPP"), a Dutch programming youth orientated factual producer. NPP will sit alongside FremantleMedia's entertainment and scripted businesses in the Netherlands. The transaction qualifies as a business combination since RTL Group gained the control of NPP. The purchase consideration amounted to below €1 million, net of cash acquired. The goodwill of €1 million will not be tax deductible. FremantleMedia and the non-controlling shareholder entered into an agreement that permits FremantleMedia to purchase the remaining 25 per cent in the first half of 2020. The strike price is based on a variable component. If RTL Group does not exercise the call option, the non-controlling shareholder will have the option to acquire the 75 per cent stake. The fair value of the related derivatives is € nil million at 31 December 2015. The transaction-related costs of €0.1 million, mainly consisting of legal fees, are reported in "Other operating expenses".

On 17 December, RTL Nederland BV set up a new company with a third party, Themakanalen BV, active in the field of advertising sales for selective theme channels. RTL Group holds a call option exercisable in 2019 to acquire the 25 per cent non-controlling interests. If RTL Group does not exercise the call option, the non-controlling shareholder will have the option to acquire the 75 per cent stake. The non-controlling interests hold a put option exercisable in 2020. The strike prices are based on a variable component. The fair value of the call option is € nil million at 31 December 2015. The put option has been recognised as deduction of the Group's equity with a corresponding financial liability recognised for the present value of the redemption amount of below €1 million. The financial liability is subsequently measured at amortised cost.

2014 (updated at 31 December 2015)

Best of TV

On 7 January 2014, Groupe M6 acquired 51 per cent of Best of TV SAS and Best of TV Benelux SPRL ("Best of TV"). Best of TV had developed a leading position in France in distributing infomercial and teleshopping products through major French retail chains. This acquisition enabled Groupe M6 to strengthen the position of its subsidiary, Home Shopping Service, in the home shopping and infomercial business. The transaction qualified as a business combination since RTL Group gained the control of Best of TV. A contingent consideration had been recognised for €5 million at the acquisition date and was re-measured through the profit or loss ("Other operating expense") for €1 million in 2015. The contingent liability was paid during the first half of 2015. The purchase consideration amounted to €9 million, net of cash acquired, and resulted in the recognition of a goodwill of €8 million. Goodwill in connection with the transaction is not tax deductible. Best of TV was allocated to the Groupe M6 cash generating unit.

The remaining 49 per cent interest is subject to put and call options based on the fair value of the entity at the exercise date between 2017 and 2025. The amount of the option is capped at €19 million. The put option had been recognised at the acquisition date for €16 million through equity as a liability for the present value of the redemption amount. The financial liability is subsequently measured at fair value through profit or loss and amounts to €17 million at 31 December 2015. This is a Level 3 fair value measurement.

The transaction-related costs were insignificant.

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

495 Productions

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

The purchase consideration, net of cash acquired, amounted to €18 million. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. This resulted in the recognition of a goodwill of €20 million. The goodwill was attributable mainly to the skills and talent of 495 Productions workforce and the synergies expected to be achieved from the integration of 495 Productions into the FremantleMedia business. Goodwill in connection with the transaction is tax deductible. 495 Productions was allocated to the FremantleMedia cash generating unit.

The remaining 25 per cent interest is subject to put and call options based on a performance-related component. The put option liability had been recognised through equity for the present value of the redemption amount of €7 million. The financial liability is subsequently measured at amortised cost. The financial liability has been re-measured to €7 million at 31 December 2015. The related income of €1 million is reported in "Financial results other than interest" (see note 6.5.). The fair value of the call option related derivative is € nil million at 31 December 2015.

Transaction-related costs amounting to €0.6 million, mainly consisting of legal fees and due diligence costs, were reported in "Other operating expenses".

RTL Group paid an amount of below €1 million during the first quarter of 2015 corresponding to the deferred consideration.

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

SpotX

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

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

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

RTL Group holds a call option for the remaining non-controlling interests exercisable in 2017. The strike price is based on two variable components and not capped. The undiscounted amount of the expected exercise price of the call option was USD 164 million. No fair value had been recognised at 31 December 2014.

Further, the deal terms include a capped put option against RTL Group. However, the conditions triggering a potential exercise of the put option are in the full control of RTL Group and no liability had therefore been recognised.

Transaction-related costs amounting to €4.1 million, mainly consisting of legal and success fees and due diligence costs, were reported in "Other operating expenses".

Further to the completion of the purchase price allocation and of the true-up exercise during the first half year 2015, the purchase consideration was finally determined at an amount of €113 million, net of cash acquired and including a contingent consideration related to an earn-out mechanism for €9 million. The financial liability is subsequently measured at amortised cost. The purchase accounting was completed during the first half of 2015 and resulted in the recognition of a goodwill of €99 million. In addition to the deferred tax asset recognised in 2014 for €8 million and related to losses carried forward and share-based arrangements, the following identifiable assets and liabilities were recognised at 30 June 2015:

- Technology for €2 million;
- Brand name for €1 million;
- Customer relationships for €7 million;
- Related deferred tax liability for €4 million.

The impact for the year ended 31 December 2014 results in a decrease in the profit from operating activities of €1 million. The consolidated income statement and the consolidated statement of comprehensive income at 31 December 2014 have been restated accordingly.

A first instalment of the earn-out was paid during the first half year 2015 for an amount of €7 million

	Fair value at date of gain of control €m
Cash and cash equivalents	4
Other intangible assets	10
Property, plant and equipment	3
Net deferred tax assets	5
Accounts receivable and other financial assets	32
Accounts payable	(29)
Loans	(2)
Non-controlling interests	(5)
Net assets acquired	**18**
Goodwill	99
Total purchase consideration	**117**
Contingent consideration	(9)
Cash and cash equivalents in operations acquired	(4)
Cash outflow on acquisition	**104**

At 31 December 2015, the strike price of the call option amounts to USD 158 million; the fair value of the derivative has been re-measured for €3 million reported in "Financial results other than interest" (see notes 3.3.1. and 6.5.).

Sparwelt

On 19 September 2014, Mediengruppe RTL Deutschland acquired 100 per cent interest in Econa Shopping GmbH, renamed SPARWELT GmbH ("Sparwelt") after acquisition, the leading operator of online couponing portals in Germany for €27.5 million on a cash-and-debt free basis adjusted for normalised working capital. The online couponing business is a growing and large B2C market with country-wide and potentially international reach and synergies with *Gutscheine.de*, an existing Mediengruppe RTL Deutschland business.

The transaction and the gain of control were subject to the approval of the German Federal Cartel Office, which was obtained on 29 October 2014. The transaction qualified as a business combination since RTL Group gained the control of Sparwelt.

The initial purchase price had been adjusted to €30 million on the basis of the level of working capital at 30 September 2014.

In addition, the purchase agreement included an earn-out mechanism based on a variable performance component and up to a maximum and undiscounted amount of €27.5 million. The related amount had been initially recognised as a financial liability for €6 million through equity for the present value of the redemption amount. The financial liability subsequently measured at amortised cost remained unchanged at 31 December 2014. The financial liability has been re-measured to €4 million at 31 December 2015; the related income is reported in "Other operating income".

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

The transaction-related costs were insignificant.

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

BeProcurement

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

Style Haul

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

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

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

Employees benefited from share-based arrangements before the business combination. All unvested stock options had been accelerated. The employees had agreed to sell 70 per cent of their shares and their stock options. The stock options that were retained by the employees were replaced by new stock options representing 3 per cent of the capital of RTL US Holding, Inc on a fully diluted basis. The fair value of all accelerated options had been measured by reference to the purchase price and recognised as a post-business combination for € 6 million in "Employee benefits expenses" ("Share options granted to employee") reported in "Other operating expenses". The related amount had been recognised as a financial liability as the transaction qualifies in substance as a cash settled share-based payment.

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

The parties also agreed on earn-out mechanisms that might increase the initial consideration by a maximum of USD 45 million, subject to the future performance of the business. The related liability had been initially recognised for €8 million through equity for the present value of the redemption amount. The financial liability subsequently measured at amortised cost remained unchanged at 31 December 2014.

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

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

The initial purchase consideration of €115 million, contingent on a cash-and-debt free position adjusted for normalised working capital, has been reduced by €4 million following the completion of the true-up exercise during the first half year of 2015. This amount was received by the Group during the first half year 2015. The purchase accounting was completed during the first half of 2015 and resulted in the recognition of a goodwill of €100 million. In addition to the identifiable intangible assets (€3 million) and the deferred tax asset (€12 million) related to losses carried forward and stock option plans recognised in 2014, the following identifiable assets and liabilities were recognised at 30 June 2015:
- Brand name for €1 million;
- Related deferred tax liability for €0.4 million.

The earn-out related consideration initially recognised for €8 million was re-measured to € nil million at 31 December 2015. The related impact is reported in "Other operating income".

The fair value of the put option liability and the cash settled share based payment arrangement liability has been re-measured to €11 million at 31 December 2015; the related income of €2 million is reported in "Financial results other than interest" (see note 6.5.).

	Fair value at date of gain of control €m
Cash and cash equivalents	1
Other intangible assets	4
Net deferred tax assets	12
Accounts receivable and other financial assets	5
Accounts payable	(5)
Loans	(4)
Non-controlling interests	(1)
Net assets acquired	**12**
Goodwill	100
Total purchase consideration	**112**
Fair value of previously held equity interests	(21)
Net assets contributed	(2)
Contingent consideration	(4)
Cash and cash equivalents in operations acquired	(1)
Cash outflow on acquisition	**84**

Radical Media

On 30 December 2014, RTL Group lost control over @radical.media LLC and its 100 per cent affiliates ("Radical Media") and derecognised all related assets and liabilities. The existing put and call options have been terminated. RTL Group continues to hold 34.5 per cent of the outstanding membership interests of the company and exercises a significant influence over Radical Media. Radical Media is accounted for using the equity method as from 31 December 2014. The purchaser benefits from a call option effective at the greater of a floor or a multiple of a variable performance component. This call option is valid for 18 months following the closing of the change of control. RTL Group has the right to sell its stake from 30 December 2019 at the greater of a floor or a multiple of a variable performance component. These options had been valued for € nil million at 31 December 2014 and remained unchanged at 31 December 2015.

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

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

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

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

Other acquisitions and disposals, increases in interest held in subsidiaries

- On 16 September 2014, Groupe M6 acquired 80 per cent of Printic SAS ("Printic"). The company develops smartphone applications that enable users to order prints of photos from a mobile device. The acquisition strengthens the position of Monalbumphoto SAS. The transaction qualifies as a business combination since RTL Group gained the control of Printic. The purchase consideration, net of cash acquired, amounted to below €1 million. The transaction resulted in the recognition of a provisional goodwill of €0.9 million. The remaining 20 per cent are subject to put and call options.

  The put option in the hand of the sellers had been recognised as a deduction to the Group's equity with a corresponding financial liability for the present value of the redemption amount of €2.2 million at 31 December 2014. This is a Level 3 fair value measurement.

  The financial liability has been re-measured to € nil million at 31 December 2015. The related income of €2 million is reported in "Financial results other than interest" (see note 6.5.);

- The contingent consideration related to the earn-out arrangement of Smart Shopping and Saving GmbH (formerly Gutscheine.de HSS GmbH), acquired on 2 January 2012, had been re-measured for €0.5 million in 2014 through "Other operating income" and subsequently paid for €0.7 million.

Previous years (updated at 31 December 2015)

BroadbandTV

Since the gain of control in June 2013, RTL Group holds a call option on the BBTV non-controlling interests measured at fair value. The call option may be exercised on or before 21 June 2016. If RTL Group should not exercise its call, the non-controlling shareholders would be entitled to an exit mechanism within a 2-year period thereafter, by first offering their stake to RTL Group and, if RTL Group should not accept the offer, by dragging RTL Group's stake in a 100 per cent sale of the company at a price at least equal to the price offered to RTL Group.

The Entertainment Group

The contingent consideration recognised in July 2013 and related to the 35 per cent non-controlling interests had been initially recognised as a financial liability through equity for the present value of the redemption amount. The financial liability, which had been re-measured at amortised cost from €6 million to €3 million at 31 December 2014, has been paid in 2015.

Miso Film

The contingent consideration recognised in November 2013 and related to the 49 per cent non-controlling interests had been initially recognised as a financial liability through equity for the present value of the redemption amount. The financial liability subsequently measured at amortised cost has been re-measured from €9 million to €5 million in 2015. The related income of €4 million is reported in "Financial results other than interest" (see note 6.5.).

5. 3. Assets and liabilities acquired

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

	2015 €m	2014 restated[31] €m
Purchase consideration		
– Cash paid	**77**	257
– Loan previously granted by the seller	**6**	–
– Fair value of previously held equity interests	**–**	21
– Net assets contributed	**–**	2
– Contingent consideration	**2**	25
– Deferred consideration	**–**	1
– Payments on prior years' acquisitions	**(12)**	(8)
Total purchase consideration	**61**	298
Less:		
Fair value of net assets acquired	**(9)**	(39)
Goodwill[33]	**52**	259

5. 4. Cash outflow on acquisitions

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

	2015 Fair value €m	2014 restated[31] Fair value €m
Cash and cash equivalents	**(5)**	11
Non-current programme and other rights	**8**	–
Other intangible assets	**13**	17
Property, plant and equipment	**–**	4
Loans and other financial assets	**3**	–
Net deferred tax assets	**–**	17
Current programme rights	**17**	10
Other inventories	**–**	3
Accounts receivable and other financial assets	**21**	50
Accounts payable	**(24)**	(54)
Employee benefit obligations	**(2)**	–
Loans	**(16)**	(8)
Net deferred tax liabilities	**(3)**	(1)
Non-controlling interests	**(3)**	(10)
Net assets acquired	**9**	39
Goodwill	**52**	259
Total purchase consideration	**61**	298
Less:		
Loan previously granted by the seller	**6**	–
Fair value of previously held equity interests	**–**	(21)
Net assets contributed	**–**	(2)
Contingent consideration	**(2)**	**(25)**
Deferred consideration	**–**	(1)
Payments on prior years' acquisitions	**12**	8
Cash and cash equivalents in operations acquired	**5**	**(11)**
Cash outflow on acquisition[33]	**82**	**246**

33 See note 5.2.

6. DETAILS ON CONSOLIDATED INCOME STATEMENT

6. 1. Revenue

	2015 €m	%	2014 €m	%
Spot advertising sales	**3,180**	**53**	3,111	54
Bartering advertising revenue	**54**	**1**	55	1
Other advertising sales	**368**	**6**	266	4
Advertising sales, net of agency commissions	**3,602**	**60**	3,432	59
Production/distribution of films, programmes and other rights	**1,591**	**26**	1,463	25
Sales of merchandise and consumer services	**370**	**6**	418	7
TV platform distribution	**248**	**4**	225	4
Professional services	**218**	**4**	270	5
	6,029	**100**	5,808	100

6. 2. Other operating expenses

	2015 €m	2014 €m
Employee benefits expenses	**1,055**	977
Intellectual property expenses	**406**	317
Expenses related to live programmes	**312**	287
Consumption of other inventories	**76**	201
Production subcontracting expenses	**185**	182
Transmission expenses including leased satellite capacity	**119**	121
Marketing and promotion expenses	**134**	115
Rentals and other operating lease expenses	**87**	84
Operating taxes	**63**	76
Audit and consulting fees[34]	**59**	58
Repairs and maintenance	**60**	55
Marketing and promotion expenses including barters	**47**	48
Distribution expenses	**19**	26
Commissions on sales	**10**	13
Administration and sundry expenses	**118**	122
	2,750	2,682

The Group's auditor and their affiliates regarding the continuing operations, are set out below:

	2015 €m	2014 €m
Audit services pursuant to legislation	**2.8**	2.7
Audit-related services	**0.4**	0.5
Other services	**0.8**	0.7
	4.0	3.9

34 Fees related to PricewaterhouseCoopers ("PwC").

6. 2. 1. Employee benefits expenses

	2015 €m	2014 €m
Wages and salaries	**803**	731
Termination benefits	**11**	23
Social security costs	**168**	155
Share options granted to employees	**9**	12
Pension costs	**19**	17
Other employee expenses	**45**	39
	1,055	977
Of which restructuring costs	***1***	*4*

The amounts set out above exclude personnel costs of €216 million (2014: €211 million), that are capitalised and that represent costs of employees directly allocated to the production of assets.

In addition to other short-term bonus schemes, RTL Group has implemented for its senior management a long-term incentive plan ("LTIP") which runs for the term 2014 to 2016. The LTIP aims to reward RTL Group's senior management for entrepreneurial performance and to get their long-term commitment to the Group. The performance targets of the LTIP have been approved by the Nomination and Compensation Committee of RTL Group who gave authority to the Executive Committee to approve the participation of the other Executives in the LTIP. The performance targets are based on financial metrics such as RTL Group's Value Added ("RVA"), other RVA, EBITA, EBITDA and, for FremantleMedia, also on non-financial metrics such as the development and commercial success of new formats.

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

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

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

As at 31 December 2015, the liability related to this LTIP has been assessed on the basis of the achievement of performance targets and amounts to €31 million (2014: €11.5 million). Groupe M6 operates a specific long-term incentive plan based on free shares plans (see note 7.15.7.).

Pension costs relate to defined contributions for €11 million (2014: €10 million) and defined benefit plans for €8 million (2014: €7 million) (see note 7.14.).

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

	2015	2014
Employees of fully consolidated undertakings	**10,325**	9,804
	10,325	9,804

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

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

2015

Subsidiaries (see note 5.2.)

■ Loss on disposal of UFA Sports GmbH and some of its subsidiaries	€(7) million

Associates (see note 7.4.1.)

■ Gain on dilution in Atresmedia	€10 million

Assets classified as held for sale (see note 7.10.)

■ Gain on disposal of AdSociety Daye Advertising Co. Ltd	€1 million

2014

Subsidiaries (see note 5.2.)

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

Associates (see note 7.4.1.)

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

Joint ventures (see note 7.4.2.)

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

Assets classified as held for sale (see note 7.10.)

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

6. 4. Net interest income/(expense)

	2015 €m	2014 €m
Interest income on loans and accounts receivable	**5**	10
Tax-related interest expense	**1**	–
Interest income	**6**	10
Interest expense on financial liabilities	**(26)**	(24)
Tax-related interest expense	**–**	(1)
Interest on defined benefit obligations[35]	**(3)**	(4)
Interest expense on other employee benefit liabilities	**(2)**	(4)
Interest expense	**(31)**	(33)
Net interest expense	**(25)**	(23)

"Interest income on loans and accounts receivable" includes an amount of € nil million (2014: € nil million) in respect of deposits to Bertelsmann SE & Co. KGaA (see note 9.1.).

"Interest expense on financial liabilities" includes an amount of €17 million (2014: €16 million) in respect of the loans from Bertelsmann SE & Co. KGaA (see note 9.1.).

35 Of which (see note 7.14.):
■ Interest income on plan assets: €4 million (2014: €4 million)
■ Unwind of discount on defined benefit obligations: €(7) million (2014: €(8) million)

6. 5. Financial results other than interest

	2015 €m	2014 €m
Net gain/(loss) on disposal and impairment on available-for-sale investments (see note 7.5.)	**(1)**	(1)
Cash flow hedges ineffectiveness (see note 3.)	**3**	(4)
Net gain on other financial instruments at fair value through profit or loss (see note 7.5.)	**10**	–
Other financial results	**1**	1
	13	(4)

6. 6. Income tax expense

	2015 €m	2014 €m
Current tax expense	**(270)**	(281)
Deferred tax expense	**(30)**	(6)
	(300)	(287)

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

	2015 €m	%	2014 €m	%
Profit before taxes	**1,163**		1,020	
Income tax rate applicable in Luxembourg		**29.22**		29.22
Tax calculated at domestic tax rate applicable to profits in Luxembourg	**340**		298	
Effects of tax rate in foreign jurisdictions and German trade tax	**50**		55	
Tax calculated at domestic tax rate applicable to profits in the respective countries	**390**	**33.50**	353	34.60
Changes in tax regulation and status	**(1)**		–	
Non deductible expenses	**30**		44	
Tax exempt revenue	**(44)**		(60)	
Commission received in relation to the Compensation Agreement (see note 9.1.)	**(65)**		(52)	
Utilisation of previously unrecognised tax losses	**(6)**		–	
Tax incentives not recognised in the income statement	**(4)**		(10)	
Effect of tax losses for which no deferred tax assets are recognised	**7**		18	
Tax expense before adjustments on prior years	**307**	**26.40**	293	28.80
Current tax adjustments on prior years	**(2)**		(1)	
Deferred tax adjustments on prior years	**(5)**		(5)	
Income tax expense	**300**	**25.80**	287	28.20

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

- Germany, where the official tax rate is 32.5 per cent, representing an impact of €22 million (2014: €20 million);
- France, where several tax rates apply, depending on the size of the business. The rates of 38, 34.43 and 33.33 per cent apply respectively, representing an impact of €27 million (2014: €25 million).

In 2015, non deductible expenses include exceptional contribution on dividends, withholding taxes for €6 million (2014: €7 million) and in 2014 an impairment of goodwill for €18 million.

Tax exempt revenue mainly relates in 2015 to capital gains and fair value changes for €19 million and to the share of results of investments accounted for using the equity method for €17 million.

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

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

6. 7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €789 million (2014: €652 million) and a weighted average number of ordinary shares outstanding during the year of 153,589,269 (2014: 153,584,102), calculated as follows:

	2015	2014
Profit attributable to RTL Group shareholders (in € million)	**789**	652
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January (note 7.15.1.)	**154,787,554**	154,787,554
Effect of treasury shares held (note 7.15.2.)	**(1,168,701)**	(1,168,701)
Effect of liquidity programme (note 7.15.2.)	**(29,584)**	(34,751)
Weighted average number of ordinary shares	**153,589,269**	153,584,102

	2015	2014
Basic earnings per share (in €)	**5.14**	4.25
Diluted earnings per share (in €)	**5.14**	4.25

7. DETAILS ON CONSOLIDATED STATEMENT OF FINANCIAL POSITION

7. 1. Programme and other rights, goodwill and other intangible assets

	(Co-) productions €m	Distribution and broadcasting rights €m	Advance payments and (co-) productions in progress €m	Total programme and other rights €m	Goodwill €m	Other intangible assets €m
Cost						
Balance at 1 January 2014	**680**	**1,063**	**33**	**1,776**	**5,019**	**414**
Effect of movements in foreign exchange	36	12	–	48	18	2
Additions	2	52	41	95	–	26
Disposals	–	(78)	–	(78)	–	(17)
Subsidiaries acquired[36]	–	–	–	–	259	17
Subsidiaries disposed of[36]	–	–	–	–	(29)	–
Transfers and other changes	25	33	(51)	7	(9)	(7)
Balance at 31 December 2014	**743**	**1,082**	**23**	**1,848**	**5,258**	**435**
Effect of movements in foreign exchange	52	17	–	69	38	3
Additions	4	47	50	101	–	29
Disposals	–	(32)	(2)	(34)	–	(20)
Subsidiaries acquired[36]	8	–	–	8	52	13
Subsidiaries disposed of[36]	–	(6)	–	(6)	–	–
Transfers and other changes	7	33	(40)	–	(2)	(1)
Balance at 31 December 2015	**814**	**1,141**	**31**	**1,986**	**5,346**	**459**
Amortisation and impairment losses						
Balance at 1 January 2014	**(645)**	**(1,017)**	**(5)**	**(1,667)**	**(2,312)**	**(216)**
Effects of movements in foreign exchange	(35)	(12)	–	(47)	(1)	–
Amortisation charge for the year	(36)	(81)	–	(117)	–	(26)
Impairment losses recognised for the year	–	(1)	–	(1)	(88)	(11)
Disposals	–	77	–	77	–	15
Transfers and other changes	–	–	–	–	10	2
Balance at 31 December 2014	**(716)**	**(1,034)**	**(5)**	**(1,755)**	**(2,391)**	**(236)**
Effects of movements in foreign exchange	(52)	(17)	–	(69)	2	(1)
Amortisation charge for the year	(21)	(86)	–	(107)	–	(31)
Impairment losses recognised for the year	–	(1)	(4)	(5)	–	–
Reversal of impairment losses[37]	–	1	–	1	–	7
Disposals	–	32	1	33	–	18
Transfers and other changes	–	1	–	1	2	(1)
Balance at 31 December 2015	**(789)**	**(1,104)**	**(8)**	**(1,901)**	**(2,387)**	**(244)**
Carrying amount:						
At 31 December 2014	**27**	**48**	**18**	**93**	**2,867**	**199**
At 31 December 2015	**25**	**37**	**23**	**85**	**2,959**	**215**

Other intangible assets include mainly brands for an amount of € 129 million (2014: € 122 million), primarily related to the Groupe M6.

Reversal of impairment losses have been recognised for €7 million in 2015 regarding intangible assets of the Hungarian language channels (see note 7.2.)

The M6 brand is considered to have an indefinite useful life and was recognised for an amount of € 120 million. At 31 December 2015, an impairment test was performed and did not lead to any impairment.

In determining that the M6 brand has an indefinite useful life, management have considered various factors such as the past and expected longevity of the brand, the impact of possible changes in broadcasting

36 See note 5.2.
37 See note 7.2.

technologies, the impact of possible evolutions of the regulatory environment in the French television industry, the current and expected audience share of the M6 channel, and M6 management's strategy to maintain and strengthen the trademark "M6". Based on the analysis of these factors, management have determined and confirmed at 31 December 2015 that there is no foreseeable limit to the period of time over which the brand M6 is expected to generate cash inflows for the Group.

7. 2. Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") on the basis of the business units (see note 4.) and at the level at which independent cash flows are generated. Ludia, part of the business unit FremantleMedia, conducts specific and separate operations that generate independent cash flows and is not expected, at this stage, to benefit from sufficient synergies with the Group, and therefore qualifies as a separate cash-generating unit.

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

	31 December 2015 €m	31 December 2014 €m
Mediengruppe RTL Deutschland	**914**	914
Groupe M6	**446**	429
FremantleMedia	**1,042**	1,001
Ludia	**30**	31
RTL Nederland	**152**	151
RTL Belgium	**32**	32
RTL Radio (France)	**65**	65
Other segments		
– Style Haul	**114**	100
– SpotX	**121**	105
– BroadbandTV	**26**	22
– German radio	**17**	17
Total goodwill on cash-generating units	**2,959**	2,867

Goodwill is tested for impairment annually, as of 31 December, or whenever changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of a CGU has been determined on the basis of the higher of its value in use and its fair value less costs of disposal:
- The value in use is determined on the basis of cash flows excluding estimated future cash inflows or outflows expected to arise from future restructurings and from improving or enhancing the CGU's performance unless the cash-generating unit is committed at year end to the restructuring, and related provisions have been made. Furthermore, the discount rate is closely linked to Group parameters (mainly credit premium, gearing ratio and specific risk). Specific country risk and inflation differential are also taken into account;
- Fair value less costs of disposal is the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. When available, market quoted prices are used.

The Group supports its fair values less costs of disposal on the basis of a discounted cash flow ("DCF") model to the extent that it would reflect the value that "any market participant" would be ready to pay in an arm's length transaction. Differently from the "value in use" approach, which reflects the perspective of the Group for a long-term use of the CGU, a "fair value less costs of disposal" DCF 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 is calculated based on a market approach and most of the parameters used are derived from market sources.

The value in use approach has been applied to determine the recoverable amount of all cash-generating units at 31 December 2015. Despite the fact that for all CGUs, the value in use was higher than the carrying amount, the fair value less cost of disposal approach has been also considered, especially for the CGUs which:
- are listed (Groupe M6);
- develop in a market environment characterised by disruptive innovation;
- are in an early stage of their lifecycle given uncertainties regarding future development. In some cases, like the multi-channel networks ("MCN"), planned revenue and profitability levels have not yet been achieved.

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 a total of 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 regarding market development. For FremantleMedia operating a multi-territory/worldwide and diversified operation, the expected growth rate is determined according to a weighted average of growth expectations of regions and markets. The volume of video views and the development of original production and branded entertainment are key drivers for the multi-channel networks. 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;
- Inflation rate differential;
- Specific firm premium;
- Credit spread due to the financial situation; and
- Gearing ratio of the CGU.

	2015		2014	
	Perpetual growth rate % a year	**Discount rate %**	Perpetual growth rate % a year	Discount rate %
Cash-generating units				
Mediengruppe RTL Deutschland	**2.0**	**6.9**	2.0	7.6
Groupe M6	**2.0**	**7.5**	2.5	7.6
FremantleMedia	**2.5**	**7.4**	2.5	7.7
Ludia	**2.0**	**12.4**	2.0	12.5
RTL Nederland	**2.0**	**6.9**	2.0	7.6
RTL Belgium	**1.5**	**7.5**	2.0	7.6
RTL Radio (France)	**–**	**6.7**	2.0	6.7
Other segments				
– Style Haul	**2.0**	**13.0**	2.0	13.9
– SpotX	**2.0**	**10.8**	2.0	10.9
– Hungarian language cable channels and M-RTL	**–**	**–**	2.0	12.8
– BroadbandTV	**2.0**	**13.0**	2.0	13.9
– German radio	**–**	**6.5**	2.0	6.7
– UFA Sports	**–**	**–**	–	7.9

Management consider that, at 31 December 2015, no reasonably possible change in the market shares, EBITA margin and cash conversion rates would reduce the headroom between the recoverable amounts and the carrying values of the cash-generating units to zero, FremantleMedia and Style Haul excepted. In 2014, an impairment loss of €77 million had been recognised against the goodwill carried by the Group in the Hungarian language cable channels and M-RTL.

FremantleMedia

Following continuing pressure on the production and distribution business, due to reduced volumes and pricing, management have updated the business plan to take into account the latest available information, primarily in the US. FremantleMedia will maintain the strength of its existing franchises and develop new formats organically while diversifying its portfolio in new genres, maximising its worldwide network and building a deeper digital footprint. FremantleMedia is thus expecting to slightly increase its EBITA margin compared to the actual level. Based on this revised 10 year plan, the headroom that existed at the level of FremantleMedia has been increased to €189 million (31 December 2014: €124 million). The value in use on the basis of a discounted cash flow model was retained for determining the recoverable amount.

For FremantleMedia, if for 2016 and each of the following years, the estimated revenue growth and EBITA margin had been reduced by 1 per cent and the discount rate had been increased by 1 per cent, the sum of these corresponding effects would have resulted in an impairment loss against goodwill of €463 million (€390 million at 31 December 2014).

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

	31 December 2015 €m	31 December 2014 €m
Variation in:		
Revenue growth by (1) per cent on each period	**(191)**	(146)
EBITA margin by (1) per cent on each period	**(198)**	(163)
Discount rate by 100 basis points	**(263)**	(205)

Hungarian language cable channels and M-RTL

A new advertising tax was adopted and amended by the Hungarian Parliament on 4 July 2014 and came into force on 15 August 2014. The tax was steeply progressive, with rates between nil and 40 per cent, and was calculated, in general, on the net revenues derived from advertising plus the margins that the sales houses affiliated to the taxpayers' charge to their customers. The tax base was calculated by aggregating the tax bases of affiliated undertakings. As a result, entities belonging to a group of companies were taxed at higher tax rates than independent legal entities. On 18 November 2014, the Hungarian government adopted an amendment by which the highest applicable tax rate was increased from 40 to 50 per cent. This amendment came into force on 1 January 2015.

On this basis, RTL Group's management had recognised in 2014:

- at 30 June, the full impairment of the goodwill for an amount of €77 million and additional impairment losses on non-current intangible assets for €11 million, of which €9 million related to assets identified in connection with the initial purchase price allocations; and
- at 31 December, a valuation allowance on current programme rights for €7 million.

On 27 May 2015, the Hungarian Parliament retrospectively amended the advertising tax. The tax rate was changed into a flat rate of 5.3 per cent for a tax base above HUF 100 million and zero under HUF 100 million.

The retrospective impact resulted in a one-off positive impact of €5 million reported in deduction of the "Other operating expenses" at 31 December 2015.

In addition, RTL Group's management re-assessed:

- the fair value of the non-current intangible assets identified in connection with the initial purchase price allocations and fully reversed the previously recognised impairment for an amount of €7 million;
- the net realisable value of the current programme rights. This resulted in the recognition of a reversal of €5 million of the previously recognised valuation allowance.

Style Haul

The significant increase of video views recorded in 2015 was not reflected in the revenue growth due to the delayed launch of certain diversification revenue streams, notably branded content revenue, and the lower revenue per thousand impressions ("RPM"). Based on a revised business plan, the headroom has been reduced to €11 million (31 December 2014: €14 million). The value in use was retained for determining the recoverable amount; the fair values derived from market valuations were also considered (see above).

If, for 2016 and each of the following periods, the estimated revenue growth and EBITA margin of Style Haul had been reduced by 1 per cent and the discount rate had been increased by 1 per cent, the compounded effect of these corresponding variations would have resulted in an impairment loss against goodwill of € 19 million (€ 16 million at 31 December 2014).

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

	31 December 2015 €m	31 December 2014 €m
Variation in:		
Revenue growth by (1) per cent on each period	**(9)**	(8)
EBITA margin by (1) per cent on each period	**(5)**	(8)
Discount rate by 100 basis points	**(16)**	(14)

7. 3. Property, plant and equipment

	Land, buildings and improvements €m	Technical equipment €m	Other €m	Total €m
Cost				
Balance at 1 January 2014	**379**	**314**	**214**	**907**
Effect of movements in foreign exchange	1	–	2	3
Additions	2	14	56	72
Disposals[38]	(55)	(3)	(13)	(71)
Subsidiaries acquired[39]	–	–	4	4
Subsidiaries disposed of[39]	(1)	–	(1)	(2)
Transfers and other changes	7	11	(25)	(7)
Balance at 31 December 2014	**333**	**336**	**237**	**906**
Effect of movements in foreign exchange	1	1	2	4
Additions	4	20	54	78
Disposals[38]	(4)	(8)	(13)	(25)
Transfers and other changes	3	2	(6)	(1)
Balance at 31 December 2015	**337**	**351**	**274**	**962**
Depreciation and impairment losses				
Balance at 1 January 2014	**(184)**	**(244)**	**(148)**	**(576)**
Effect of movements in foreign exchange	(1)	–	(1)	(2)
Depreciation charge for the year	(15)	(28)	(20)	(63)
Disposals[38]	50	3	12	65
Transfers and other changes	4	(2)	5	7
Balance at 31 December 2014	**(146)**	**(271)**	**(152)**	**(569)**
Effect of movements in foreign exchange	–	–	(1)	(1)
Depreciation charge for the year	(16)	(26)	(22)	(64)
Disposals[38]	3	8	12	23
Transfers and other changes	–	2	(1)	1
Balance at 31 December 2015	**(159)**	**(287)**	**(164)**	**(610)**
Carrying amount:				
At 31 December 2014	**187**	**65**	**85**	**337**
At 31 December 2015	**178**	**64**	**110**	**352**

Net tangible assets held under finance leases at 31 December 2015 amount to €2 million (2014: €3 million).

38 The real-estate project ("RTL City") for the construction of the new buildings next to the existing premises in Luxembourg is underway and continues to evolve. The change of control in a Group company in October 2015 has generated a capital gain of € 16 million according to IFRS criteria. This amount is reported in "Other operating income" (€32 million in 2014). The impact of RTL City project on the invested capital of the Group is € 117 million at 31 December 2015 (€ 80 million at 31 December 2014)
39 See note 5.2.

7. 4. Investments accounted for using the equity method

The amounts recognised in the balance sheet are as follows:

	2015 €m	2014 €m
Associates	**376**	353
Joint ventures	**24**	28
Balance at 31 December	**400**	381

The amounts recognised in the income statement are as follows:

	2015 €m	2014 €m
Associates	**45**	31
Impairment of investments in associates	**–**	4
Joint ventures	**12**	12
	57	47

7. 4. 1. Investments in associates

Set out below are the associates of the Group as at 31 December 2015, which in the opinion of the management, are material to the Group.

Name of entity	Country of incorporation	Principal activity	% voting power held by the Group 2015	% voting power held by the Group 2014	Measurement method
Atresmedia[40,41]	Spain	Broadcasting TV	**18.7**	19.3	Equity
RTL 2 Fernsehen GmbH & Co. KG[42]	Germany	Broadcasting TV	**35.9**	35.9	Equity

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

	Atresmedia 2015 €m	Atresmedia 2014 €m	RTL 2 GmbH & Co. KG 2015 €m	RTL 2 GmbH & Co. KG 2014 €m
Non-current assets	**638**	642	**41**	41
Current assets	**615**	565	**110**	93
Current liabilities	**(567)**	(561)	**(54)**	(44)
Non-current liabilities	**(203)**	(204)	**–**	(1)
Net assets	**483**	442	**97**	89
Revenue	**970**	883	**355**	332
Profit before tax	**131**	95	**55**	46
Income tax expense	**(28)**	(53)	**–**	–
Profit for the year	**103**	42	**55**	46
Dividends received from associates	**12**	9	**17**	15

40 Although the Group holds less than 20 per cent of the equity shares of Atresmedia, management consider that the Group exercises a significant influence in Atresmedia in view of the representation of RTL Group on the Board of Directors and other governing bodies of Atresmedia

41 Atresmedia is listed on the Madrid Stock Exchange. Based on the published share price at 31 December 2015, the market capitalisation of 100 per cent of Atresmedia amounts to €2,221 million, i.e. €9.84 per share (2014: €2,628 million, i.e. €11.64 per share)

42 RTL 2 Fernsehen GmbH & Co.KG is a private company and there is no quoted market price available for its shares

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

	Atresmedia		RTL 2 GmbH & Co. KG		Other immaterial associates[43]		Total	
	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m
Net assets at 1 January	**442**	345	**89**	76	**49**	48	**580**	469
Profit for the year	**103**	42	**55**	46	**25**	24	**183**	112
Other comprehensive income	**1**	1	**–**	–	**–**	–	**1**	1
Distribution	**(63)**	(47)	**(47)**	(33)	**(32)**	(38)	**(142)**	(118)
Transactions on treasury shares	**–**	79	**–**	–	**–**	–	**–**	79
Change in ownership interest and other changes	**–**	22	**–**	–	**27**	15	**27**	37
Net assets at 31 December	**483**	442	**97**	89	**69**	49	**649**	580
Interest in associates	**90**	85	**35**	32	**20**	17	**145**	134
Goodwill	**166**	171	**24**	24	**45**	28	**235**	223
Impairment on investments in associates	**–**	–	**–**	–	**(4)**	(4)	**(4)**	(4)
Carrying value	**256**	256	**59**	56	**61**	41	**376**	353

Main changes in the Group's ownership interest in associates

2015

On 21 January 2015, FremantleMedia Ltd ("FremantleMedia") acquired a 25 per cent non-controlling stake in Corona Television Ltd ("Corona"), a newly created TV production company based in the UK. The related carrying amount is € nil million at 31 December 2015. The deal, which gives FremantleMedia a first look option on all Corona output, furthers FremantleMedia's ambition to build its scripted pipeline. In addition, FremantleMedia granted a loan facility of €1 million. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2018 and 2020. The strike price of the options is based on a variable component. The fair value of the related derivatives is € nil million at 31 December 2015.

On 8 April and 5 June 2015, RTL Group acquired a 19.5 per cent (17.4 per cent on a fully diluted basis) non-controlling interest in CLYPD, Inc. ("Clypd"). Clypd is a programmatic TV start-up based in Boston that focuses on the development of an audience-buying platform for linear TV. The company is complementary to the programmatic online video advertising marketplace in which SpotX operates. The investment amount was €10 million. Although RTL Group holds less than 20 per cent of the equity shares of Clypd, management consider that the Group exercises a significant influence in Clypd in view of the representation of RTL Group on the Board of Clypd. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities.

The ownership of RTL Group decreased from 19.2 per cent at 31 December 2014 to 18.6 per cent at 30 June 2015 in Atresmedia and remained unchanged at 31 December 2015. This transaction resulted in a dilution of RTL Group's interest generating a gain of €10 million reported in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

On 15 June 2015, FremantleMedia Group Ltd took a 35.3 per cent (31.6 per cent on a fully diluted basis) non-controlling interest in UMI Mobile, Inc ("UMI"), a new gaming company in Canada. The related carrying amount is below €1 million at 31 December 2015. FremantleMedia is entitled, via a call option, to buy the remaining shares of the controlling shareholders at the market value.

On 14 September 2015, FremantleMedia Ltd entered with a 25 per cent stake, into the share capital of Naked Entertainment Ltd ("Naked"), a UK start-up television production company focusing on high-end factual entertainment series. The carrying amount of Naked is below €1 million at 31 December 2015. In addition, FremantleMedia granted a loan facility of €1 million. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2021 and 2023. The strike price of the options is based on a variable component.

43 Other immaterial associates represent in aggregate less than 16 per cent of the total amount of investments in associates at 31 December 2015 (12 per cent at 31 December 2014) and none of them has a carrying amount exceeding €11 million at 31 December 2015 (€11 million at 31 December 2014)

If FremantleMedia does not exercise the call options, the non-controlling shareholders will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain criteria, or an option to acquire the shares held by the Group. The fair value of the related derivatives is € nil million at 31 December 2015.

On 3 November 2015, RTL Group led the Series A investment round for Videoamp Inc. ("VideoAmp"), a US based platform for cross-screen data optimisation founded in 2014. The investment of €7 million provides RTL Group with a stake of 21.5 per cent; €6 million were paid at 31 December 2015. VideoAmp fits into RTL Group's digital strategy as it is complementary to the current ad-tech businesses of SpotX and Clypd. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities.

On 23 November 2015, FremantleMedia Ltd entered with a 25 per cent stake in Full Fat Television Ltd ("Full Fat TV"), a newly created UK based factual entertainment company. The carrying amount of Full Fat TV is below €1 million. In addition, FremantleMedia granted a loan facility of €1 million. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2020 and 2022. The strike price of the options is based on a variable component. If FremantleMedia exercises its 2020 call option but not the 2022 one, the non-controlling shareholders will have the option to require FremantleMedia to purchase all the remaining shares. In the event that FremantleMedia will not exercise the call options, the non-controlling shareholders will have the option to acquire the shares held by the Group. The fair value of the related derivatives is € nil milllion at 31 December 2015.

On 8 December 2015, FremantleMedia Ltd acquired a 25 per cent stake in the company Man Alive Entertainment Ltd ("Man Alive Entertainment"), a newly created television production company. The carrying amount of Man Alive Entertainment is € nil million at 31 December 2015. In addition, FremantleMedia granted a loan facility of €1 million. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2021 and 2023. The strike price of the options is based on a variable component. If FremantleMedia exercises its 2021 call option but not the 2023 one, the non-controlling shareholders will have the option to require FremantleMedia to purchase all the remaining shares. In the event that FremantleMedia will not exercise the call options, the non-controlling shareholders will have the option to acquire the shares held by the Group. The fair value of the related derivatives is € nil million at 31 December 2015.

2014 (updated at 31 December 2015)

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

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

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

On 28 November 2014, Groupe M6 acquired 49 per cent of Stéphane Plaza Franchise SAS and its affiliate, which are active in property development. Stéphane Plaza hosts real estate reality shows. The related carrying amount is €3 million at 31 December 2015 (€4 million at 31 December 2014, including the recognition of a financial derivative instrument for €1 million).

On 19 December 2014, RTL Group increased its shareholding in Divimove GmbH to 51 per cent without gaining control. RTL Group holds a call option on the remaining share capital. The related carrying amount was €4 million at 31 December 2015. The fair value of the derivative was re-measured at 31 December 2015 for an amount of €3 million reported in "Financial results other than interest" (see notes 2.5. and 3.3.1).

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

Impairment testing

Investments in associates are tested for impairment according to the same methodology applied for the impairment test of goodwill (see note 7.2.). The recoverable amount of Atresmedia has been determined on the basis of the fair value less costs of disposal at 31 December 2015. This is a Level 1 measurement (see note 3.3.2.). The recoverable amount of RTL 2 Fernsehen GmbH & Co. KG has been determined on the basis of the value in use at 31 December 2015.

The perpetual growth and discount rates used are as follows:

	2015 Perpetual growth rate % a year	2015 Discount rate %	2014 Perpetual growth rate % a year	2014 Discount rate %
Main associates				
RTL 2 Fernsehen GmbH & Co. KG	**2.0**	**6.9**	2.0	7.6

No impairment loss on investments in associates was recorded in 2015.

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

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

Contingencies

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

7. 4. 2. Investments in joint ventures

The main joint venture is as follows:

	Country of incorporation	Principal activity	% voting power held by the Group 2015	% voting power held by the Group 2014	Measurement method
RTL Disney Fernsehen GmbH & Co. KG[44,45]	Germany	Broadcasting TV	**50.0**	50.0	Equity

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

44 RTL Disney Fernsehen GmbH & Co .KG is structured as a separate vehicle and the Group has a residual interest in the net assets

45 RTL Disney Fernsehen GmbH & Co. KG is a private company, there is no quoted market price available for its shares

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

	2015 €m	2014 €m
Non-current		
Assets	**16**	9
Current		
Cash and cash equivalents	**52**	45
Other current assets	**14**	12
Total current assets	**66**	57
Current liabilities	**(64)**	(38)
Total current liabilities	**(64)**	(38)
Net assets	**18**	28
Revenue	**124**	124
Depreciation and amortisation	**(9)**	(7)
Profit before tax	**23**	27
Income tax expense	**(1)**	(4)
Profit and total comprehensive income for the year	**22**	23
Group's share of profit and total comprehensive income for the year	**11**	11
Dividends received from joint venture	**16**	15

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

	RTL Disney Fernsehen GmbH & Co. KG		Other immaterial joint ventures[46]		**Total**	
	2015	2014	**2015**	2014	**2015**	2014
Net assets at 1 January	**28**	34	**9**	7	**37**	41
Profit/(loss) for the year	**22**	23	**(1)**	(1)	**21**	22
Distribution	**(32)**	(29)	**(6)**	(7)	**(38)**	(36)
Capital increase	**–**	–	**–**	8	**–**	8
Other changes	**–**	–	**5**	2	**5**	2
Net assets at 31 December	**18**	28	**7**	9	**25**	37
Interest in joint ventures	**9**	14	**4**	4	**13**	18
Goodwill	**–**	–	**11**	10	**11**	10
Carrying value	**9**	14	**15**	14	**24**	28

Main changes in the Group's ownership interest in joint ventures

2015

On 27 January 2015, RTL Nederland BV ("RTL NL") entered into the joint venture Buurtfacts BV ("Buurtfacts"). Buurtfacts is a web and app-based platform with a focus on distributing publicly available news, information and facts on a local level. The carrying amount of Buurtfacts is € nil million at 31 December 2015. The other shareholders, who hold 45 per cent, have been granted a put option. RTL NL holds a call option on the shares held by the other shareholders. The strike price of the options is based on a variable component. The fair value of the related derivatives is € nil million at 31 December 2015.

On 24 March 2015, RTL Nederland Ventures BV ("RTL NL") announced the acquisition of 34.8 per cent stake in Reclamefolder.nl BV ("Reclamefolder") holding a platform for online brochures and offers *Reclamefolder.nl*. RTL NL continues to focus on investments in companies currently in the transition phase from offline to online,

46 Other immaterial joint ventures represent in aggregate less than 63 per cent of the total amount of investments in joint ventures at 31 December 2015 (50 per cent at 31 December 2014) and none of them has a carrying amount exceeding €5 million at 31 December 2015 (€5 million at 31 December 2014)

with an increasing emphasis on mobile. The transaction was completed on 15 July 2015 once the clearance from the European Commission was obtained. RTL NL and the company also entered into a media exposure agreement. The transaction qualifies as a joint arrangement as RTL Group jointly controls the company. In July 2015, RTL NL contributed €2 million to the share capital of the company. The carrying amount of Reclamefolder is €2 million at 31 December 2015.

On 30 November 2015, FremantleMedia Ltd and Squawka Ltd ("Squawka") entered in a contractual arrangement and a loan agreement for a total amount of €2 million, of which less than €1 million was paid at 31 December 2015. Squawka is a UK-based football website founded in 2012 specialising in data-led news and tools, with a primary focus on the FA Premier League. Once the full amount of the loan is paid, FremantleMedia has the option to convert it and to acquire 13 per cent shareholding in Squawka. Subsequently FremantleMedia may inject capital in Squawka to acquire 10 per cent in 2016. A call option is exercisable in 2017 to acquire an additional 20 per cent with a final call option taking ownership to 100 per cent in 2020.

The seller has a put conditional on FremantleMedia converting the loan to shares and having exercised all options except the final 2020 option. FremantleMedia is not a shareholder in the company at 31 December 2015 but jointly controls Squawka on the basis of the contractual arrangement.

2014

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

On 25 April 2014, the management of TF6 announced the channel will cease its operations at the end of 2014 following a significant drop in revenue.

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

On 18 April 2013, RTL Group acquired 20 per cent of FutureWhiz Media BV through a contribution to the share capital and share premium and an air-time contribution. Jointly controlled, the company manages a subscription-based educational online platform in the Netherlands, Squla. The acquisition was in line with the Group's strategy to expand online. The purchase consideration amounted to €1.5 million, net of cash acquired. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. On 26 November 2014, RTL Group increased its interest to 29.7 per cent and its right to dividends to 37.3 per cent.

Impairment testing

Investments in joint ventures are tested for impairment according to the same methodology applied for the impairment test of goodwill (see note 7.2.). The recoverable amount of RTL Disney Fernsehen GmbH & Co. KG has been determined on the basis of the value in use at 31 December 2015.

The perpetual growth and discount rates used are as follows:

	2015		2014	
	Perpetual growth rate % a year	**Discount rate %**	Perpetual growth rate % a year	Discount rate %
Main joint venture				
RTL Disney Fernsehen GmbH & Co KG	**2.0**	**6.9**	2.0	7.6

No impairment loss on investments in joint ventures was recorded in 2015 (2014: € nil million).

Contingencies

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

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

7. 5. Loans and other financial assets

	2015 €m	2014 €m
Available-for-sale investments (see note 7.15.5.)	**55**	58
Loans receivable to investments accounted for using the equity method (see notes 3.3.1. and 7.4.)	**8**	4
Loans and other financial assets	**5**	14
	68	76

RTL Group holds 19 per cent of the share capital of Beyond International Limited, a company listed on the Australian Stock Exchange. This is a Level 1 fair value measurement. In 2015, RTL Group recorded a decrease in fair value of this available-for sale investment for €1 million.

The 10 per cent interest retained by RTL Group in BeProcurement had been accounted for as an available-for-sale asset in 2014 (see note 5.2.).

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

The amount of €20 million deposited since the first half of 2012 under an escrow account by the Football Club Girondins de Bordeaux for the benefit of the city of Bordeaux and reported in current "Accounts receivable and other financial assets" at 31 December 2014 has been released to Groupe M6 in 2015. This amount is reported in cash inflows from investing activities in the consolidated cash flow statement. The same amount has been paid by Groupe M6 in 2015 to the city of Bordeaux in return for reduced future rental payments for the use of the new stadium by Girondins de Bordeaux. The related amount is reported in non-current "Loans and other financial assets" and reduced the operating free cash flow.

Since April 2000, FremantleMedia has arrangements in relation to sale and lease back transactions (see note 8.3.). At 31 December 2015, three banks did not satisfy the required credit ratings. The related amounts are recognised for €9 million in the consolidated statement of financial position (2014: €20 million), of which €7 million with a maturity of less than one year (2014: €12 million). The restricted bank accounts are reported in other financial assets with counterpart in bank loans payable (see note 7.11.).

No impairment loss was recognised in 2015 (2014: €1 million). No reversal of impairment loss has been recorded in 2015 (2014: € nil million).

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

	2015 €m	2014 €m
Balance at 1 January	**58**	65
Net acquisitions and disposals	**1**	1
Change in fair value	**(5)**	(9)
Impairment losses and other changes	**1**	1
Balance at 31 December	**55**	58

7. 6. Deferred tax assets and liabilities

	2015 €m	2014 €m
Deferred tax assets	**370**	395
Deferred tax liabilities	**(62)**	(60)
	308	335

	2015 €m	2014 €m
Balance at 1 January	**335**	331
Income tax expense	**(30)**	(6)
Income tax credited / (charged) to equity[47]	**(4)**	(8)
Change in consolidation scope	**(3)**	15
Transfers and other changes	**10**	3
Balance at 31 December	**308**	335

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

Unrecognised deferred tax assets amount to €1,330 million at 31 December 2015 (2014: €1,327 million). Deferred tax assets are recognised on tax losses carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of €4,476 million (2014: €4,511 million) to carry forward against future taxable income which relate to Luxembourg and Hungary (2014: Luxembourg and Hungary) and have no expiry date.

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

	Balance at 1 January 2015 €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 2015 €m
Deferred tax assets						
Intangible assets	98	(18)	–	–	(1)	79
Programme rights	191	10	–	–	2	203
Property, plant and equipment	2	1	–	–	–	3
Provisions	111	(10)	–	–	–	101
Tax losses (see note 6.6.)	43	(11)	–	2	2	36
Others	31	5	–	–	21	57
Set off of tax	(81)	–	–	–	(28)	(109)
	395	**(23)**	**–**	**2**	**(4)**	**370**
Deferred tax liabilities						
Intangible assets	(72)	3	–	(5)	–	(74)
Programme rights	–	(3)	–	–	–	(3)
Property, plant and equipment	(14)	1	–	–	–	(13)
Provisions	(14)	–	–	–	(1)	(15)
Others	(41)	(8)	(4)	–	(13)	(66)
Set off of tax	81	–	–	–	28	109
	(60)	**(7)**	**(4)**	**(5)**	**14**	**(62)**

47 Of which:
- €(12) million (2014: €(19) million) related to effective portion of changes in fair value of cash flow hedges;
- €9 million (2014: € nil million) related to change in fair value of cash flow hedges transferred to profit or loss;
- €(2) million (2014: €10 million) related to defined benefit plan actuarial gains/(losses); and
- €1 million (2014: €1 million) related to change in fair value of available-for-sale investments

	Balance at 1 January 2014 €m	(Charged)/credited to income statement €m	Charged to equity €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2014 €m
Deferred tax assets						
Intangible assets	118	(18)	–	–	(2)	98
Programme rights	184	3	–	–	4	191
Property, plant and equipment	2	1	–	–	(1)	2
Provisions	87	12	12	–	–	111
Tax losses (see note 6.6.)	35	(5)	–	13	–	43
Others	35	4	(18)	8	2	31
Set off of tax	(72)	–	–	–	(9)	(81)
	389	**(3)**	**(6)**	**21**	**(6)**	**395**
Deferred tax liabilities						
Intangible assets	(71)	7	–	(6)	(2)	(72)
Property, plant and equipment	(15)	1	–	–	–	(14)
Provisions	(9)	(3)	(2)	–	–	(14)
Others	(35)	(8)	–	–	2	(41)
Set off of tax	72	–	–	–	9	81
	(58)	**(3)**	**(2)**	**(6)**	**9**	**(60)**

Deferred tax assets and liabilities are offset against each other if they relate to the same tax authority and meet the criteria of offsetting. The term of the deferred taxes on temporary differences is mostly expected to be recovered or settled more than 12 months from the balance sheet date.

7. 7. Current programme rights

	2015 Gross value €m	2015 Valuation allowance €m	2015 Net value €m	2014 Gross value €m	2014 Valuation allowance €m	2014 Net value €m
(Co-)productions	**353**	**(320)**	**33**	346	(318)	28
TV programmes	**77**	**(1)**	**76**	99	(1)	98
Other distribution and broadcasting rights	**940**	**(308)**	**632**	885	(276)	609
Sub-total programme rights	**1,370**	**(629)**	**741**	1,330	(595)	735
(Co-)productions and programmes in progress	**218**	**(6)**	**212**	167	(6)	161
Advance payments on (co-)productions, programmes and rights	**141**	**(1)**	**140**	133	(1)	132
Sub-total programme rights in progress	**359**	**(7)**	**352**	300	(7)	293
	1,729	**(636)**	**1,093**	1,630	(602)	1,028

Additions and reversals of valuation allowance have been recorded for €(93) million and €62 million respectively in 2015 (2014: €(94) million and €65 million, respectively).

7. 8. Accounts receivable and other financial assets

	2015 Under 1 year €m	2015 Over 1 year €m	2015 Total €m	2014 Under 1 year €m	2014 Over 1 year €m	2014 Total €m
Trade accounts receivable	**1,193**	**–**	**1,193**	1,048	1	1,049
Accounts receivable from investments accounted for using the equity method	**36**	**–**	**36**	29	–	29
Prepaid expenses	**93**	**19**	**112**	82	–	82
Fair value of derivative assets	**63**	**45**	**108**	48	30	78
Other current financial assets (see note 3.3.1.)	**11**	**–**	**11**	32	–	32
Account receivable from shareholder in relation with PLP Agreement (see note 9.1.)	**472**	**–**	**472**	326	–	326
Other accounts receivable	**146**	**75**	**221**	137	85	222
	2,014	**139**	**2,153**	1,702	116	1,818

Additions and reversals of valuation allowance have been recorded for €(22) million and €16 million respectively in 2015 (2014: €(19) million and €18 million, respectively).

7. 9. Cash and cash equivalents

	2015 €m	2014 €m
Cash in hand and at bank	**359**	260
Fixed term deposits (under three months)	**41**	189
Other cash equivalents	**49**	34
Cash and cash equivalents (excluding bank overdrafts)	**449**	483

	2015 €m	2014 €m
Cash and cash equivalents (excluding bank overdrafts)	**449**	483
Bank overdrafts (see note 7.11.)	**(5)**	(4)
Cash and cash equivalents	**444**	479

"Other cash equivalents" include money market funds for €49 million (2014: €34 million).

7. 10. Assets classified as held for sale

2015

Following the disposal of AdSociety associate (see note 6.3.), there were no assets classified as held for sale at 31 December 2015.

2014

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

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

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

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

7. 11. Loans and bank overdrafts

	2015 €m	2014 €m
Current liabilities		
Bank overdrafts	**5**	4
Bank loans payable (see note 7.5.)	**21**	13
Loans due to investments accounted for using the equity method	**11**	5
Leasing liabilities	**1**	1
Term loan facility due to shareholder (see note 9.1.)	**554**	547
Other current loans payable	**13**	13
	605	583

	2015 €m	2014 €m
Non-current liabilities		
Bank loans payable (see note 7.5.)	**4**	9
Leasing liabilities	**1**	2
Term loan facility due to shareholder (see note 9.1.)	**500**	500
Other non-current loans payable	**19**	10
	524	521

Term and debt repayment schedule:

2015	Under 1 year €m	1–5 years €m	Over 5 years €m	**Total carrying amount €m**
Bank overdrafts	5	–	–	**5**
Bank loans payable (see note 7.5.)	21	4	–	**25**
Loans due to investments accounted for using the equity method	11	–	–	**11**
Leasing liabilities	1	1	–	**2**
Term loan facility due to shareholder (see note 9.1.)	554	–	500	**1,054**
Other loans payable	13	11	8	**32**
	605	**16**	**508**	**1,129**

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

7. 12. Accounts payable

Current accounts payable

	2015 €m	2014 €m
Trade accounts payable	**1,508**	1,384
Amounts due to associates	**4**	3
Employee benefits liability	**160**	155
Deferred income	**95**	116
Social security and other taxes payable	**76**	69
Fair value of derivative liabilities	**16**	14
Account payable to shareholder in relation with PLP Agreement (see note 9.1.)	**583**	432
Other accounts payable	**300**	286
	2,742	2,459

Non-current accounts payable

	2015			2014		
	1–5 years €m	Over 5 years €m	Total €m	1–5 years €m	Over 5 years €m	Total €m
Trade accounts payable	**48**	**9**	**57**	53	7	60
Employee benefits liability	**39**	**238**	**277**	13	221	234
Deferred income	**1**	**–**	**1**	2	–	2
Fair value of derivative liabilities	**6**	**–**	**6**	2	–	2
Other accounts payable	**97**	**5**	**102**	84	14	98
	191	**252**	**443**	154	242	396

7. 13. Provisions

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

	Restructuring €m	Litigations €m	Onerous contracts €m	Other provisions €m	Total €m
Balance at 1 January 2015	**3**	**111**	**111**	**18**	**243**
Provisions charged/(credited) to the income statement:					
– Additions	–	11	59	2	72
– Reversals	(2)	(19)	(2)	(2)	(25)
Provisions used during the year	–	(7)	(77)	(3)	(87)
Other changes	–	(4)	2	1	(1)
Balance at 31 December 2015	**1**	**92**	**93**	**16**	**202**

The provisions mainly relate to the following:

- Provisions for litigations correspond to the Group's best estimate of the expected future cash outflow related to disputes arising from the Group's activities.

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

  Several subsidiaries of the Group are being sued by broadcaster RTL 2 Fernsehen GmbH & Co. KG and its sales house El Cartel Media GmbH & Co. KG before the regional court in Düsseldorf in Germany seeking disclosure of information in order to substantiate a possible claim for damages. The proceedings succeed the imposition of a fine in 2007 by the German Federal Cartel Office for the abuse of market dominance with regard to discount scheme agreements ("share deals") IP Deutschland GmbH and SevenOne Media GmbH granted to media agencies. The German Federal Cartel Office argued that these discounts would foreclose the advertising market for small broadcasters. The court of Dusseldorf decided to order an expert report. Similar proceedings of other small broadcasters initiated in different courts were unsuccessful or have been withdrawn.

Brandi Cochran was employed as a model on the television series *The Price Is Right* from July 2002 until February 2010 and was claiming wrongful termination and other allegations due to her gender and pregnancy. Her claim was brought against FremantleMedia North America ("FMNA"). The Court entered judgment in January 2013 and awarded her damages in the amount of USD 9 million (compensatory damages of USD 1 million and punitive damages of USD 8 million; subject to interest at the rate of 10 per cent per annum until paid) plus attorney's fees. FMNA appealed the verdict. FMNA also filed a post-trial motion for a new trial, which was granted in March 2013 (and the verdict was vacated). In December 2014, the Appellate Court remanded the parties for a new trial, which was set to begin in April 2016. However, in February 2016, the parties reached a settlement agreement, which resolves this matter.

- "Onerous contracts" mainly comprise provisions made by Mediengruppe RTL Deutschland for €49 million (2014: €67 million) and €41 million by Groupe M6 (2014: €42 million) in relation to the supply of programmes, of which sport events (2015: €7 million; 2014: €16 million). Out of €59 million of provisions recorded during the year €52 million relate to programmes such as movies and series and €7 million to sport events.

	2015 €m	2014 €m
Current	**130**	164
Non-current	**72**	79
	202	243

7. 13. 2. Post-employment benefits

	2015 €m	2014 €m
Balance at 1 January	**173**	135
Provisions charged/(credited) to the income statement:		
– Additions[48]	**24**	22
Provisions used during the year[48]	**(21)**	(27)
Actuarial losses directly recognised in equity (see note 7.14.)	**(9)**	50
Other changes	**(2)**	(7)
Balance at 31 December	**165**	173

"Post-employment benefits" comprise provision for defined benefit obligations (see note 7.14.) for €160 million (2014: €170 million) and provision for other employee benefits for €5 million (2014: €3 million).

	2015 €m	2014 €m
Current	**2**	2
Non-current	**163**	171
	165	173

7. 14. Defined benefit obligations

RTL Group operates or participates in a number of defined benefit and defined contribution plans throughout Europe. FremantleMedia North America in the United States also operates a medical care plan which is not further disclosed given its materiality to the consolidated financial statements.

48 Of which defined contributions plan for €11 million (2014: €10 million)

These plans have been set up and are operated in accordance with national laws and regulations. A description of the principal defined benefit plans of the Group and risks associated are given below:

Belgium

Employees of RTL Belgium participate in a defined benefit plan insured with the insurance company AXA, which provides pension benefits to members and their dependants on retirement and death. It concerns a closed plan in run-off. From 1 January 2004, a new defined contribution scheme has been open for all new employees. The assets of the insurance contract are not segregated but mutualised within the global assets of the Company ("Branche 21"). A guaranteed interest rate is provided by AXA and the plan should not be affected by financial market development.

Furthermore, the pension plan provides a lump sum at retirement and therefore will not be affected by the expected increase of the future life expectancy of retirees. Other risks mainly relate to minimum funding requirements when vested rights are not funding enough.

France

Groupe M6, Ediradio, ID and IP France operate retirement indemnity plans which, by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at the date of termination of employment in accordance with the applicable collective agreement. The Ediradio and ID retirement indemnity plan is partly funded by an insurance contract with AXA. Ediradio also participates in a defined benefit plan which provides pension benefits to members on retirement. This plan is partly funded by an insurance contract with AXA. The assets of the insurance contract are not segregated but mutualised within the global assets of the insurance company. A guaranteed interest rate is provided by AXA and the plan should not be affected by financial market development. By nature, the liability is not influenced by the expected increase of the future life expectancy of a retiree.

Germany

Employees of UFA Berlin Group (including UFA Fiction GmbH, UFA Shows & Factual GmbH (following merger with UFA Factual GmbH), UFA GmbH, UFA Serial Drama GmbH), Universum Film, Radio Center Berlin, AVE Gesellschaft für Hörfunkbeteiligungen GmbH, UFA Film & Fernsehen, RTL Group Deutschland and RTL Group Central & Eastern Europe participate in an unfunded common group retirement plan and defined benefit in nature. In case of insolvency, there is a comprehensive protection system ("Pensionssicherungsverein") operated by the German Pension Protection Fund. The company UFA Serial Drama has a partly funded plan.

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

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

RTL Television and IP Deutschland operate their own retirement arrangements. IP Deutschland sponsors individual plans for five former employees, providing defined pension benefits to each employee at retirement.

RTL Television sponsors individual plans for two employees and two former employees, providing defined pension benefits to each employee at retirement. In addition, a number of employees participate in a support fund providing pension benefits to members and their dependants on retirement and death.

The plan of RTL Television is partly funded by a life insurance contract with AXA. The assets of the insurance contract are not segregated but mutualised within the global assets of the insurance company. A guaranteed interest rate is provided by AXA and the plan should not be affected by financial market development. Both companies are exposed to certain risks associated with defined benefits plans such as longevity, inflation and increase of wages and salaries.

Luxembourg

CLT-UFA, RTL Group and Broadcasting Center Europe sponsor a post-employment defined benefit plan in favour of their employees. The occupational pension plan provides benefits to the affiliates (members and their dependents) in case of retirement, death in service and disability. The pension benefits are financed through an internal book reserve, as one of the allowed funding vehicles described in the law of 8 June 1999 on occupational pension plans in Luxembourg. Therefore CLT-UFA, RTL Group and BCE set up provision for the unfunded retirement benefit plan. Nevertheless in such case, the law requires the company to subscribe to insolvency insurance with the German Pension Protection Fund ("Pensionssicherungsverein"). The CLT-UFA, RTL Group and Broadcasting Center Europe occupational pension scheme is a defined benefit plan final pay with integration of the state pension. Consequently, the Company is exposed to certain risks associated with defined benefits plans such as longevity, inflation, effect of compensation increases and of the State pension legislation.

Death and disability are insured with Cardif Lux Vie.

United Kingdom

FremantleMedia Group Limited is the principal employer of the Fremantle Group Pension Plan ("the Fremantle Plan" or "the Plan"), which was established on 29 December 2000 and was, prior to 1 September 2005, known as the RTL Group UK Pension Plan. The Fremantle Plan provides benefits through two sections, one providing defined benefits and the other providing defined contribution benefits with a defined benefit underpin. Plan assets are held for both sections of the Fremantle Plan – the assets in the defined benefit section comprise a qualifying insurance (buy-in) policy and UK corporate bonds; the assets in the defined contribution section comprise mainly equities. The Plan is funded through a trust administered by a trustee company, the assets of which are held separately from the assets of the participating employers. FremantleMedia Group Limited is ultimately liable for any deficit in the Plan. Funding requirements are under section 3 of the Pensions Act 2004 (UK). This requires:

- Three-yearly formal actuarial valuations, with annual monitoring;
- Trustees to maintain a Statement of Funding Principles;
- Trustees and employers to agree the approach to each actuarial valuation;
- Funding deficits to be eliminated in accordance with a schedule of deficit funding contributions.

The Company has been managing and reducing the risks associated with the Fremantle Plan. The Company closed the Plan to all further benefit accrual with effect from 31 March 2013. From 19 March 2014, the Company decided to secure benefits by insuring the Plan's liabilities through a buy-in policy.

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

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

Legislation regarding introducing employers' pensions 'auto-enrolment' obligations, requires contributions to be made for employees/workers who were previously not members of Company schemes or who previously had no pension entitlement. This affected the Company from 1 September 2013 onwards. An employee must now choose to 'opt out' if they do not wish to contribute to the pension scheme.

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

	2015 €m	2014 €m
Final salary plans	**214**	219
Career average plans	**6**	6
Flat salary plans – plans with fixed amounts	**17**	17
Others[49]	**47**	43
Total	**284**	285

Thereof capital commitment for € 112 million at 31 December 2015 (2014: € 112 million). Under the Fremantle Plan rules, in the defined benefit sections a member may opt to exchange up to around 25 per cent of their pension benefit for a cash lump sum.

49 Mainly include the defined contribution section of the Fremantle Plan

Information about the plan members is detailed as follows:

	2015 Head	2014 Head
Active members[50]	**2,886**	2,721
Deferred members	**1,098**	1,099
Pensioners	**307**	305
Total	**4,291**	4,125

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

	2015 €m	2014 €m
Active members	**126**	131
Deferred members	**97**	92
Pensioners	**61**	62
Total	**284**	285

Thereof beneficiaries with vested rights for €243 million (2014: €242 million) and beneficiaries with unvested rights for €41 million (2014: €43 million).

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

	2015 €m	2014 €m
Present value of funded obligations	**169**	165
Fair value of plan assets	**(124)**	(115)
Deficit of funded plans	**45**	50
Present value of unfunded obligations	**115**	120
Net defined benefit liability	**160**	170
Assets (see note 7.5.)	**–**	–
Provisions (see note 7.13.2.)	**160**	170

The amounts recognised in comprehensive income are determined as follows:

	2015 €m	2014 €m
Service costs:		
– Current service cost (see note 6.2.1.)	**8**	7
– Net interest expense (see note 6.4.)	**3**	4
Components of defined benefit costs recorded in profit or loss	**11**	11
Re-measurements:		
– (Gains)/losses from change in demographic assumptions	**–**	6
– (Gains)/losses from change in financial assumptions	**(12)**	37
– Experience adjustments (gains)/losses	**(2)**	(3)
– Less return on plan assets (excluding amounts included in net interest expense)	**(5)**	(10)
Components of defined benefit costs recorded in Other Comprehensive Income (“OCI”)	**(9)**	50
Total of components of defined benefit costs	**2**	61

50 Increase mainly due to the Groupe M6: 147 of which Oxygem (scope entry 2015) with 84 active members

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

	2015 €m	2014 €m
Balance at 1 January	**285**	232
Current service cost	**8**	7
Interest cost	**7**	8
Re-measurements:		
– (Gains)/losses from change in demographic assumptions[51]	**–**	6
– (Gains)/losses from change in financial assumptions[52]	**(12)**	37
– Experience adjustments (gains)/losses[53]	**(2)**	(3)
Benefits paid by employer	**(7)**	(5)
Benefits paid out of the plan assets	**(3)**	(2)
Foreign exchange differences	**8**	5
Balance at 31 December	**284**	285

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

	2015 €m	2014 €m
Balance at 1 January	**115**	107
Interest income on plan assets	**4**	4
Return on plan assets (excluding amounts included in net interest expense)[54]	**(5)**	(10)
Employer contributions[55]	**4**	11
Benefits paid out of the plan assets	**(3)**	(2)
Foreign exchange differences	**9**	5
Balance at 31 December	**124**	115

Expected contributions to post-employment benefit plans for the year ending 31 December 2016 are €3 million.

Plan assets are comprised as follows:

	Quoted marked price €m	No quoted marked price €m	Total 2015 €m	%	Quoted marked price €m	No quoted marked price €m	Total 2014 €m	%
Equity instruments (including equity funds)[56]:			**43**	**35**			38	33
Company size: large cap	**22**	**–**	**22**		19	–	19	
Company size: mid cap	**21**	**–**	**21**		19	–	19	
Debt instruments (including debt funds):			**1**	**1**			2	2
Government bonds: investment grade	**–**	**–**	**–**		1	–	1	
Corporate bonds: investment grade	**1**	**–**	**1**		1	–	1	
Cash and cash equivalents	**–**	**1**	**1**	**1**	–	–	–	–
Qualifying insurance policies[56]	**–**	**79**	**79**	**63**	–	75	75	65
Total	**44**	**80**	**124**	**100**	40	75	115	100

Other equity and debt instruments mainly relate to the Fremantle Plan. The policy asset allocation reflects a balance between investments in bonds (which are sensitive to interest rates) and equities (which are expected to provide higher returns and inflation protection over the long term). The main risks inherent in the investment strategy are the risks that the market returns will not be in line with expectations and the risk of annual volatility in returns, which means that in any one year the actual return may be very different from the expected return (such may also be negative).

51 The demographic losses mainly due to the plan in Luxembourg. In connection with the increase of the expectation of life for the valued members, it has been decided to rejuvenate the population of 5 years leading to an increase of €5 million in 2014

52 2015: In connection with the increase in the discount rate for all zones
2014: In connection with the fall in the discount rate for all zones

53 2015: the experience gains mainly relate to: CLT-UFA for an amount of €(1) million due to salaries increase and state pension decrease effect less than expected, the plan in Belgium for an amount of €(1) million due to salary increase less than expected
2014: the experience gains mainly relate to: the plan in Luxembourg for an amount of €(2) million due to a final inflation effect less than expected, the plan in Belgium for an amount of €(1) million due to salary increase less than expected

54 2015: In connection with the Fremantle Plan's assets for the DB Sections performed worse than expected over the year, resulting in a loss on the assets of €5 million
2014: in connection with the insurance transaction (buy-in policy) for the Fremantle Plan leading to an accounting loss for an amount of €11 million

55 2015: This is mainly due to the Fremantle Plan for an amount of €2 million regarding the outstanding premium paid for balancing the contribution relating to the buy-in policy
2014: this was mainly due to the Fremantle Plan for an amount of €9 million regarding the initial premium paid for balancing the contribution relating to the buy-in policy

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

The qualifying insurance policy relates to the Fremantle Plan and other plans for €29 million. The main risks related to the qualifying insurance policy for the Fremantle Plan is that the insurance provider defaults on the buy-in policy, and the Trustees are unable to recover the full value. This event is extremely unlikely given the regulatory capital requirements for insurance companies and other protections in place (e.g. the Financial Services Compensation Scheme).

The principal actuarial assumptions used were as follows:

	2015 % a year Germany	2015 % a year Other European countries	2015 % a year UK	2014 % a year Germany	2014 % a year Other European countries	2014 % a year UK
Discount rate	**2.60**	**2.20**	**4.00**	2.10	1.80	3.70
Long-term inflation rate	**1.50–1.70**	**1.80–2.00**	**2.20**	1.50–1.80	2.00	2.10
Future salary increases	**2.25**	**2.11–4.50**	**–**	2.25	2.02 – 4.50	–
Future pension increases	**1.00–1.70**	**1.00**	**3.35**	1.00–1.70	1.00	3.25

At 31 December 2015, the weighted-average duration of the defined benefit liability was 17 years (2014: 17 years).

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

	2015	2014
Germany	**17.9**	18.7
Other European countries	**12.0**	11.8
UK	**23.0**	23.0

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

	2015 Increase €m	2015 Decrease €m	2014 Increase €m	2014 Decrease €m
Average life expectancy by 1 year	**4**	**(4)**	5	(4)
Discount rate (effect of 0.5%)	**(17)**	**19**	(18)	21
Future salary growth (effect of 0.5%)	**14**	**(13)**	15	(13)
Future pension growth (effect of 0.5%)	**7**	**(6)**	7	(6)

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

At 31 December 2015, expected maturity analysis of undiscounted pension (future cash flows) are as follows:

	Less than 1 year €m	1–4 years €m	Less than 10 years €m	Total
Defined benefit liability	12	56	76	**144**

7. 15. Equity

7. 15. 1. Share capital

At 31 December 2015, the subscribed capital amounts to €192 million (2014: €192 million) and is represented by 154,787,554 (2014: 154,787,554) fully paid-up ordinary shares, without nominal value. All shares have the same rights and entitlements.

7. 15. 2. Treasury shares

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

Following the shareholders' meeting resolution and in order to foster the liquidity and regular trading of its shares that are listed on the stock market in Brussels and Luxembourg and the stability of the price of its shares, the Company entered on 28 April 2014, into a liquidity agreement (the "Liquidity Agreement") with Kepler Capital Markets SA (the "Liquidity Provider"). During the year ended 31 December 2015, under the Liquidity Agreement, the Liquidity Provider has:

- purchased 695,197 shares at an average price of €82.16; and
- sold 670,734 shares at an average price of €82.23, in the name and on behalf of the Company.

At 31 December 2015, a total of 35,419 (2014: 10,956) RTL Group shares are held by the Company and €7.7 million (2014: €9.6 million) are in deposit with the Liquidity Provider under the terms of the Liquidity Agreement.

7. 15. 3. Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, reserves on investments accounted for using the equity method for foreign exchange translation differences and cash flow hedging, as well as loans designated to form part of the Group's net investment in specific undertakings as repayment of those loans is not anticipated within the foreseeable future.

7. 15. 4. Hedging reserve

The hedging reserve (equity attributable to non-controlling interests included) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Between 31 December 2014 and 31 December 2015, the hedging reserve increased by €8 million before tax effect. This consists of:

- Increase by €34 million due to foreign exchange contracts that existed at 2014 year end and which were still hedging off-balance sheet commitments at 31 December 2015;
- Decrease by €28 million due to foreign exchange contracts that existed at 2014 year end but which were incorporated in the cost of the hedged item and subsequently consumed and released in 2015 from the hedging reserve to income statement;
- Increase by €2 million due to foreign exchange contracts entered into in 2015 hedging new off-balance sheet commitments.

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

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

7. 15. 5. Revaluation reserve

The revaluation reserve includes:

- The cumulative change net of tax in the fair value of available-for-sale investments (see note 7.5.) until the investment is derecognised or impaired for € 18 million (2014: € 22 million). The amount of OCI recycled to profit or loss and related to available-for-sale investments disposed of in 2015 is € nil million (2014: € nil million);
- The cumulative increase in the fair value of the intangible assets and property, plant and equipment following the gains of control of Groupe M6 and M-RTL and the acquisition of investments accounted for using the equity method achieved in stages (2015: € 55 million; 2014: € 55 million).

7. 15. 6. Dividends

On 15 April 2015, the Annual General Meeting of Shareholders decided on the payment of a dividend of € 3.50 per share (€ 538 million).

On 26 August 2015, RTL Group's Board of Directors authorised the distribution of an extraordinary interim dividend of € 1.00 per share. The payment on 10 September 2015 amounted to € 153 million.

7. 15. 7. Share-based payment plans

Groupe M6 share-based payment plans

Groupe M6 has established employee share option plans open to directors and certain employees. The number of options granted to participants is approved by the Supervisory Board of Métropole Télévision SA in accordance with the authorisation given by the General Meeting of Shareholders.

The terms and conditions of the grants are as follows, whereby all options are settled by physical delivery of shares:

	Grant date	Number of options initially granted (in thousands)	Remaining options (in thousands)	Vesting conditions	Contractual life of options[57]
Stock option plans					
	05 – 2008	883.83	–	4 years of service	7 years
Total		**883.83**	**–**		

	Grant date	Maximum number of free shares granted (in thousands)[58]	Remaining options (in thousands)	Vesting conditions
Free shares plans				
	07 – 2013	642.50	–	2 years of service + performance conditions
	04 – 2014	149.55	142.68	2 years of service
	10 – 2014	513.15	491.90	2 years of service + performance conditions
	05 – 2015	32.50	32.50	2 years of service
	07 – 2015	480.40	480.40	2 years of service + performance conditions
Total		**1,818.10**	**1,147.48**	

The Free Shares Plans are subject to performance conditions. A description by plan is given below:

- The plans at 26 July 2013, 13 October 2014 and 18 July 2015 are subject to Groupe M6 achieving its target growth in net consolidated result over the periods 2013, 2014 and 2015 respectively;
- The plan at 14 April 2014 and 11 May 2015 are only subject to the presence in Groupe M6

Approximately 1,147,000 free shares are still exercisable at the end of the year against 1,235,000 at the beginning of the year. 513,000 free shares were granted during the year with 558.000 being exercised and 43,000 being forfeited.

57 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)

58 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 price to be paid to exercise each of the remaining options is the average price of shares in Métropole Télévision SA on the Paris Stock Exchange over the 20 trading days preceding the date of grant with the exception of the management free share allocation plan.

Movements in the number of share options are as follows:

In thousands of options	Average exercise price € per share	2015	Average exercise price € per share	2014
Options outstanding at the beginning of the year	15	233	21	1,029
Options exercised during the year	15	(152)	15	(297)
Options expired/cancelled during the year	15	(81)	27	(499)
Options outstanding at the end of the year	–	–	15	233

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

	Expiry date	Exercise price €	Number of options/shares 2015	Number of options/shares 2014
Stock options plans				
	2015	14.73	–	233
			–	233
Free shares plans				
	2015		–	579
	2016		634	656
	2017		513	–
			1,147	1,235
Total			1,147	1,468
Out of which exercisable			–	233

The market price of Métropole Télévision shares on the Paris Stock Exchange was €15.84 at 31 December 2015 (€15.58 at 31 December 2014).

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The estimate of fair value of the services received is measured based on a binomial model. Free shares are valued at the share price at the date they are granted less the discounted future expected dividends that employees cannot receive during the vesting period.

Grant date	Share price €	Risk-free interest rate % a year	Expected return % a year	Option life	Employee expense 2015 €m	Employee expense 2014 €m
Free shares plans						
27/07/2012	11.51	0.24	9.50	2 years	–	1.0
26/07/2013	14.79	0.58	6.10	2 years	1.9	3.2
14/04/2014	16.05	0.53	5.60	2 years	0.8	0.6
13/10/2014	12.03	0.23	7.60	2 years	1.9	0.4
11/05/2015	18.62	0.16	4.80	2 years	0.1	–
28/07/2015	18.38	0.22	4.90	2 years	1.3	–
Total					6.0	5.2

Style Haul Inc share-based payment plan

Some employees of Style Haul Inc benefit from a share-based payment plan in RTL US Holding, Inc, its parent company; the plan qualifies as a cash-settled share-based payment transaction. This plan was fully vested as of 31 December 2014 (see note 5.2.).

Other plans

There are other insignificant share-based payment plans within the Group. The total expense associated to these plans amounts to €3 million for the year ending 31 December 2015.

Dilution can occur when beneficiaries of stock option plans or holders of other optional securities exercise their options. At 31 December 2015, the dilutive effects in the Group's ownership percentage are as follows:

- dilution of RTL Group interest in SpotXchange Inc by 6.82 per cent;
- dilution of RTL Group interest in BroadbandTV Corp by 5.72 per cent;
- dilution of RTL Group interest in YoBoHo New Media Private Ltd by 13.41 per cent.

7. 15. 8. Non-controlling interests

The Group owns 48.4 per cent in Métropole Télévision SA, which together with its subsidiaries and investments accounted for using the equity method represent Groupe M6, listed on the Paris Stock Exchanges (see note 11.). Shares not owned by the Group are material for the Group.

The total non-controlling interests is €455 million at 31 December 2015 (2014: €447 million), of which €409 million (2014: €405 million), is for Groupe M6.

Non-controlling interests in other subsidiaries are individually immaterial.

The following tables summarise the restated information relating to Groupe M6, before any intra-group elimination.

Summarised financial information:

	Groupe M6 2015 €m	2014 €m
Non-current assets	**537**	500
Current assets	**910**	1,000
Current liabilities	**(593)**	(652)
Non-current liabilities	**(71)**	(66)
Net assets	**783**	782
Revenue	**1,254**	1,295
Profit before tax	**201**	210
Income tax expense	**(87)**	(87)
Profit for the year	**114**	123
Other comprehensive income	**6**	5
Total comprehensive income	**120**	128
Total comprehensive income allocated to non-controlling interests	**62**	64
Dividends paid to non-controlling interests	**(57)**	(56)
Net cash from operating activities	**156**	197
Net cash used in investing activities	**(128)**	(111)
Net cash used in financing activities	**(108)**	(110)
Net decrease in cash and cash equivalents	**(80)**	(24)

Transactions on non-controlling interests

These transactions mainly relate to:

2015

Transactions on non-controlling interests without a change in control:

- On 1 January 2015, RTL Nederland Interactief BV disposed of 49 per cent, out of the 100 per cent held in Videostrip BV (renamed SpotXchange Benelux BV) to SpotXchange Inc (held at 70.8 per cent by the Group) resulting in a dilution of RTL Group's interest of 14.2 per cent;
- On 1 August 2015, RTL Nederland Ventures BV increased its interest in the e-learning company Dutch Learning Company BV ("DLC") from 80.3 per cent to 100 per cent (see note 5.2.);
- CBS Studios International contributed €2 million in a number of capital increases in RTL CBS Asia Entertainment Network LLP, proportionally to its 30 per cent share;
- Groupe M6 has granted, acquired and disposed of own shares in respect to the employee share option plans (see note 7.15.7.), the forward purchase contract (see note 7.15.9.) and the liquidity programme.

The transactions on non-controlling interests with a change in control relate to YoBoHo and Wildside (see note 5.2.).

2014

Transactions on non-controlling interests without a change in control:

- CBS Studios International contributed €3 million in a number of capital increases in RTL CBS Asia Entertainment Network LLP, proportionally to its 30 per cent share;
- Groupe M6 has granted, acquired and disposed of own shares in respect to the employee share option plans (see note 7.15.7.), the forward purchase contract (see note 7.15.9.) and the liquidity programme.

The transactions on non-controlling interests with a change in control relate to Best of TV, 495 Productions, SpotXchange, Printic and Style Haul (see note 5.2.).

7. 15. 9. Derivatives on equity instruments

Derivative instruments relate to forward transactions by Groupe M6 on Métropole Télévision SA shares.

8. COMMITMENTS AND CONTINGENCIES

	2015 €m	2014 €m
Guarantees and endorsements given	**20**	20
Contracts for purchasing rights, (co-)productions and programmes[59]	**2,456**	2,297
Operating leases	**603**	461
Purchase obligations in respect of transmission and distribution	**185**	138
Other long-term contracts and commitments	**136**	150

The Group has investments in unlimited liability entities. In the event these entities make losses, the Group may have to participate to the entire amount of losses, even if these entities are not wholly owned.

Certain UK companies in the FremantleMedia Group have elected to make use of the audit exemption, for non-dormant subsidiaries, under section 479A of the Companies Act 2006. In order to fulfil the conditions set out in the regulations, the Company has given a statutory guarantee of all outstanding liabilities to which the subsidiaries are subject at the end of the financial year to 31 December 2015. A full list of the companies which have made use of the audit exemption is presented in note 11.

In the course of their activities, several Group companies benefit from licence frequency agreements, which commit the Group in various ways depending upon the legal regulation in force in the countries concerned.

8. 1. Operating leases

Non-cancellable operating lease rentals are as follows:

	2015				2014			
Lease Payments	**Under 1 year €m**	**1 – 5 years €m**	**Over 5 years €m**	**Total €m**	Under 1 year €m	1 – 5 years €m	Over 5 years €m	Total €m
Leasing of satellite transponders	**13**	**76**	**34**	**123**	11	60	32	103
Other operating leases	**73**	**201**	**206**	**480**	64	181	113	358
	86	**277**	**240**	**603**	75	241	145	461

"Other operating leases" mainly relates to the rental of offices, buildings and equipment in Germany, France and the United Kingdom.

8. 2. Purchase obligations in respect of transmission and distribution

These obligations result from agreements with providers of services related to the terrestrial and cable transmission and distribution of the signals of the RTL Group TV channels and radio stations.

8. 3. Other long-term contracts and commitments

The Group has "Other long-term contracts and commitments" amounting to €136 million at 31 December 2015 (2014: €150 million).

Long-term contracts include contracts for services, agreements to purchase assets or goods, and commitments to acquire licences other than audiovisual rights and television programming that are enforceable and legally binding and that specify all significant terms.

FremantleMedia has arrangements for a remaining period of three years in relation to sale and lease back transactions for an amount of €2.5 million (2014: €4 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.

59 of which €54 million of commitments relating to joint ventures (2014: €7 million)

9. RELATED PARTIES

Identity of related parties

At 31 December 2015, the principal shareholder of the Group is Bertelsmann Capital Holding GmbH ("BCH") (75.1 per cent). The remainder of the Group's shares are publicly listed on the Brussels, Frankfurt and Luxembourg stock exchanges. The Group also has a related party relationship with its associates, joint ventures and with its directors and executive officers.

9. 1. Transactions with shareholders

Sales and purchases of goods and services

During the year the Group made sales of goods and services, purchases of goods and services to Bertelsmann Group amounting to €10 million (2014: €9 million) and €24 million (2014: €22 million), respectively. At the year-end, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €2 million (2014: €5 million) and €4 million (2014: €6 million), respectively.

Deposits Bertelsmann SE & Co. KGaA

With a view to investing its cash surplus, RTL Group SA entered in 2006 with Bertelsmann SE & Co. KGaA (previously Bertelsmann AG) into a Deposit Agreement, the main terms of which are:

- Interest rates are based on an overnight basis on EONIA plus 10 basis points; or on a one to six month basis, EURIBOR plus 10 basis points;
- Bertelsmann SE & Co. KGaA grants to RTL Group as security for all payments due by Bertelsmann SE & Co. KGaA a pledge on:
  - all shares of its wholly owned French subsidiary Média Communication SAS;
  - all shares of its wholly owned Spanish subsidiary Media Finance Holding SL;
  - all its interests in the German limited liability partnership Gruner + Jahr GmbH & Co. KG;
  - all shares of its wholly owned English subsidiary Bertelsmann UK Ltd.

At 31 December, RTL Group SA did not hold any deposit with Bertelsmann SE & Co. KGaA (2014: € nil million on a one to three months basis and € nil million on an overnight basis). The interest income for the period is € nil million (2014: € nil million).

The interests in Gruner + Jahr GmbH & Co. KG and shares of Bertelsmann UK Ltd have also been granted as pledge by Bertelsmann SE & Co. KGaA to CLT-UFA SA, a subsidiary of RTL Group, in connection with the accounts receivable related to PLP and Compensation Agreements as defined below.

On 22 December 2011, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement related to the deposit of surplus cash by RTL Group Deutschland GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group Deutschland GmbH its aggregate current partnership interest in Gruner + Jahr GmbH & Co. KG.

At 31 December, RTL Group Deutschland GmbH did not hold any deposit with Bertelsmann SE & Co. KGaA (2014: € nil million). The interest income for the period is insignificant (2014: insignificant).

RTL Group SA has additionally entered into a Treasury Agreement in North America with Bertelsmann Inc. Interest rates are based on US Libor plus 10 basis points. At 31 December 2015, the balance of the cash pooling accounts receivable and payable amounts to € nil million (2014: € nil million). The interest income/expense for the year is € nil million (2014: € nil million).

Loans from Bertelsmann SE & Co. KGaA

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

- Term loan facility of €500 million until 7 March 2023 bearing interest at 2.713 per cent per annum; RTL Group SA has the right to early repay the loan subject to break costs. At 31 December 2015, the term loan balance amounts to €500 million (2014: €500 million);

- Revolving loans bear interest at the applicable EURIBOR plus a margin of 0.60 per cent per annum, and swingline loans bear interest at EONIA plus a margin of 0.60 per cent per annum. A commitment fee of 35 per cent of the applicable margin is payable where for purposes of calculation of the payable commitment fee the available commitment under the revolving and swingline facilities will be reduced by €200 million. At 31 December 2015, the total of revolving and swingline loan amounts to €542 million (2014: €536 million).

The interest expense for the period amounts to €17 million (2014: €16 million). The commitment fee charge for the period amounts to €0.4 million (2014: €1million).

Tax

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

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

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

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

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

The PLP Agreement was slightly amended in 2014 on the basis of a recent change to German corporate tax law.

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

At 31 December 2015, the balance payable to BCH amounts to €583 million (2014: €432 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €472 million (2014: €326 million).

For the year ended 31 December 2015, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €176 million (2014: €158 million). The Commission amounts to €65 million (2014: €52 million). The brought forward income tax losses available for offset are fully consumed at 31 December 2015.

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of €2 million (2014: €4 million).

All Danish entities under common control by an ultimate parent are subject to Danish tax consolidation, which is mandatory under Danish tax law. Blu A/S, a 100 per cent held subsidiary of RTL Group, was elected as the management company of the Bertelsmann Denmark Group.

Others

On 29 October 2014, RTL Group disposed of 90 per cent, out of its 100 per cent holding, in BeProcurement SA (see note 5.2.).

9. 2. Transactions with investments accounted for using the equity method

The following transactions were carried out with investments accounted for using the equity method:

	2015 €m	2014 €m
Sales of goods and services to:		
Associates	**29**	21
Joint ventures	**55**	56
	84	77
Purchase of goods and services from:		
Associates	**9**	10
Joint ventures	**17**	18
	26	28

Sales and purchases to and from investments accounted for using the equity method were carried out on commercial terms and conditions, and at market prices.

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

	2015 €m	2014 €m
Trade accounts receivable from:		
Associates	**16**	17
Joint ventures	**16**	8
	32	25
Trade accounts payable to:		
Associates	**3**	2
	3	2

9. 3. Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to the members of the Executive Committee and contributes to a post-employment defined benefit plan on its behalf.

The key management personnel compensation is as follows and reflects benefits for the period for which the individuals held the Executive Committee position:

	2015 €m	2014 €m
Short-term benefits	**8.0**	7.4
Post-employment benefits	**0.2**	0.1
Long-term benefits	**4.4**	2.6
	12.6	10.1

9. 4. Directors' fees

In 2015, a total of €0.6 million (2014: €0.6 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors of RTL Group SA and the committees that emanate from it, with respect to their functions within RTL Group SA and other Group companies.

10. SUBSEQUENT EVENTS

On 11 January 2016, FremantleMedia Netherlands BV (“FremantleMedia”) acquired 51 per cent of Abot Hameiri Communications Ltd (“AH”), an Israeli content development and TV production company, which primarily focuses on the development and production of both established and original entertainment, scripted drama and factual programmes. The acquisition is in line with the growth strategy of strengthening the creative pipeline and entering new markets. The purchase consideration of €7 million is subject to a top-up adjustment based on the level of profitability realised in 2015. The transaction qualifies as a business combination since RTL Group gained the control of AH. FremantleMedia holds an option on the remaining 49 per cent of the share capital. The strike price of the option, exercisable in 2021, is based on a variable component. The consideration for 100 per cent of AH is capped at €46 million. If RTL Group does not exercise the option, the non-controlling shareholders have a drag-along right and a call option.

On 15 January 2016, RTL Nederland Ventures BV (“RTL Nederland”) acquired 32.6 per cent of Heilzaam BV (“Heilzaam”), operating eHealth information websites. The purchase consideration of €1 million is mainly contributed to the company. The transaction qualifies as a joint arrangement as RTL Nederland jointly controls the company.

RTL Group intends to exercise the option to acquire an additional 24.5 per cent interest, for €7 million, in Divimove GmbH bringing the Group’s shareholding to 75.5 per cent. RTL Group will continue to have a significant influence in Divimove GmbH which will be accounted for using the equity method.

11. GROUP UNDERTAKINGS

	Note	Group's ownership 2015 (**)	Consoli-dated method (60)	Note	Group's ownership 2014 (**)	Consoli-dated method (60)
LUXEMBOURG*						
RTL Group SA			M			M

BROADCASTING TV	Note	Group's ownership 2015 (**)	Consoli-dated method (60)	Note	Group's ownership 2014 (**)	Consoli-dated method (60)
AUSTRIA*						
IPA Österreich GmbH		**49.8**	F		49.8	F
BELGIUM*						
Best of TV Benelux SPRL	61	**24.6**	F	61	24.6	F
Home Shopping Service Belgique SA	61	**57.0**	F	61	57.1	F
RTL Belgium SA		**65.8**	F		65.8	F
Société Européenne de Télévente Belgique GIE	61	**48.2**	F	61	48.2	F
Unité 15 Belgique SA	61	**48.2**	F	61	48.2	F
CROATIA*						
RTL Hrvatska d.o.o.		**99.7**	F		99.7	F
FRANCE*						
33 FM SAS	61	**45.8**	F	61	45.8	F
Best of TV SAS	61	**24.6**	F	61	24.6	F
C. Productions SA	61	**48.2**	F	61	48.2	F
Edit TV/W9 SAS	61	**48.2**	F	61	48.2	F
Football Club des Girondins de Bordeaux SASP	61	**48.2**	F	61	48.2	F
Girondins Expressions SASU	61	**48.2**	F	61	48.2	F
Girondins Horizons SASU	61	**48.2**	F	61	48.2	F
GM6 SAS	61	**38.8**	F	61	36.2	F
Home Shopping Service SA	61	**48.2**	F	61	48.2	F
Immobilière 46D SAS	61	**48.2**	F	61	48.2	F
Immobilière M6 SA	61	**48.2**	F	61	48.2	F
Les Films de la Suane Sàrl	61	**48.2**	F	61	48.2	F
Live Stage SAS	70	**–**	NC	61	48.2	F
Luxview SAS	61	**46.1**	F	61	46.1	F
M6 Bordeaux SAS	61	**48.2**	F	61	48.2	F
M6 Communication SAS	61	**48.2**	F	61	48.2	F
M6 Créations SAS	61	**48.2**	F	61	48.2	F
M6 Développement SASU	61	**48.2**	F	61	48.2	F
M6 Diffusions SA	61	**48.2**	F	61	48.2	F
M6 Divertissement SAS	61	**48.2**	F	61	48.2	F
M6 Editions SA	61	**48.2**	F	61	48.2	F
M6 Evénements SA	61	**48.2**	F	61	48.2	F
M6 Films SA	61	**48.2**	F	61	48.2	F
M6 Foot SAS	61	**48.2**	F	61	48.2	F
M6 Génération/6Ter SAS	61	**48.2**	F	61	48.2	F
M6 Interactions SAS	61	**48.2**	F	61	48.2	F
M6 Publicité SASU	61	**48.2**	F	61	48.2	F
M6 Shop SAS	61	**48.2**	F	61	48.2	F
M6 Studio SAS	61	**48.2**	F	61	48.2	F
M6 Talents SAS *(former M6 Recreative SAS)*	61	**48.2**	F	61	48.2	F
M6 Thématique SA	61	**48.2**	F	61	48.2	F
M6 Web SAS	61	**48.2**	F	61	48.2	F
Métropole Production SA	61	**48.2**	F	61	48.2	F
Métropole Télévision – M6 SA	61	**48.2**	F	61	48.2	F
MonAlbumPhoto SAS	61	**48.2**	F	61	48.2	F
Odiso SARL	61	**48.2**	F		–	NC
Optilens SPRL	61	**46.1**	F	61	46.1	F
Oxygem IT GIE	61	**48.2**	F		–	NC

BROADCASTING TV	Note	Group's ownership 2015 (**)	Consolidated method (60)	Note	Group's ownership 2014 (**)	Consolidated method (60)
Oxygem SAS	61	**48.2**	F		–	NC
Panora Services SAS	61	**24.1**	JV	61	24.1	JV
Paris Première SAS	61	**48.2**	F	61	48.2	F
Printic SAS	61	**41.8**	F	61	38.6	F
Quicksign SAS	61	**12.0**	E	61	12.0	E
SCI du 107	61	**48.2**	F	61	48.2	F
SEDI TV/Téva SAS	61	**48.2**	F	61	48.2	F
Série Club SA	61	**24.1**	JV	61	24.1	JV
SND Films LLC	61	**48.2**	F	61	48.2	F
SNDA SAS	61	**48.2**	F	61	48.2	F
Société des agences parisiennes SAS	61	**11.8**	E	61	11.8	E
Société Nouvelle de Cinématographie SA	61	**48.2**	F	61	48.2	F
Société Nouvelle de Distribution SA	61	**48.2**	F	61	48.2	F
Stéphane Plaza Franchise SAS	61	**23.6**	E	61	23.6	E
Studio 89 Productions SAS	61	**48.2**	F	61	48.2	F
TCM Droits Audiovisuels SNC	61	**48.2**	F	61	48.2	F
TF6 Gestion SA	61	**24.1**	JV	61	24.1	JV
TF6 SCS	61	**24.1**	JV	61	24.1	JV
Unité 15 France SA	61	**48.2**	F	61	48.2	F
GERMANY*						
CBC GmbH		**99.7**	F		99.7	F
Delta Advertising GmbH		**99.7**	F		99.7	F
El Cartel Media GmbH & Co. KG		**35.8**	E		35.8	E
Gute Zeiten – Schlechte Zeiten Vermarktungsgesellschaft mbH		**99.7**	F		99.7	F
I2I Musikproduktions- und Musikverlagsgesellschaft mbH		**99.7**	F		99.7	F
Infonetwork GmbH		**99.7**	F		99.7	F
IP Deutschland GmbH		**99.7**	F		99.7	F
Mediascore Gesellschaft für Medien- und Kommunikationsforschung mbH		**99.7**	F		99.7	F
Mediengruppe RTL Deutschland GmbH		**99.7**	F		99.7	F
Netzathleten.net GmbH		**99.7**	F		99.7	F
Norddeich TV Produktionsgesellschaft mbH		**99.7**	F		99.7	F
N-TV Nachrichtenfernsehen GmbH		**99.7**	F		99.7	F
Passion GmbH	70	**–**	NC		99.7	F
RTL Creation GmbH		**99.7**	F		99.7	F
RTL Disney Fernsehen GmbH & Co. KG		**49.8**	JV		49.8	JV
RTL Group Cable & Satellite GmbH		**99.7**	F		99.7	F
RTL Group Deutschland Markenverwaltungs GmbH		**99.7**	F		99.7	F
RTL Hessen GmbH		**99.7**	F		99.7	F
RTL Hessen Programmfenster GmbH		**59.8**	F		59.8	F
RTL Interactive GmbH		**99.7**	F		99.7	F
RTL Nord GmbH		**99.7**	F		99.7	F
RTL Television GmbH		**99.7**	F		99.7	F
RTL West GmbH		**74.8**	F		74.8	F
RTL2 Fernsehen Geschäftsführung GmbH		**35.8**	E		35.8	E
RTL2 Fernsehen GmbH & Co. KG		**35.8**	E		35.8	E
Smart Shopping and Saving GmbH		**99.7**	F		99.7	F
Universum Film GmbH		**99.7**	F		99.7	F
Vox Holding GmbH		**99.7**	F		99.7	F
Vox Television GmbH		**99.4**	F		99.4	F
Werkenntwen GmbH	71	**–**	NC		99.7	F

BROADCASTING TV	Note	Group's ownership 2015 (**)	Consolidated method (60)	Note	Group's ownership 2014 (**)	Consolidated method (60)
HONG KONG*						
RTL CBS Asia Entertainment Network (HK) Limited		**70.0**	F		70.0	F
HUNGARY*						
Home Shopping Service Hongrie RT	61	**48.2**	F	61	48.2	F
Magyar RTL Televízió Zártkörûen Mükõdõ Részvénytársaság	63	**99.7**	F	63	99.7	F
R-Time Kft	63	**99.7**	F	63	99.7	F
RTL Holdings Kft *(former Kábeltelevízió Kft)*	63	**99.7**	F	63	99.7	F
RTL Services Kft *(former CLT-UFA Magyarország Szolgáltató Kft)*	63	**99.7**	F	63	99.7	F
LUXEMBOURG*						
Broadcasting Center Europe SA		**99.7**	F		99.7	F
RTL Belux SA		**65.8**	F		65.8	F
RTL Belux SA & Cie SECS		**65.8**	F		65.8	F
RTL9 SA		**34.9**	E		34.9	E
RTL9 SA & Cie SECS		**34.8**	E		34.8	E
THE NETHERLANDS*						
Buurtfacts BV		**54.8**	JV		–	NC
Couverts Reserveren BV	75	**99.7**	F	75	99.7	F
Pepper BV	75	**99.7**	F	75	99.7	F
Reclamefolder.nl BV		**34.7**	JV		–	NC
RTL Live Entertainment BV *(former Wentink Events BV)*	75	**99.7**	F	75	99.7	F
RTL Mobile Venture BV	71	**–**	NC	75	99.7	F
RTL Nederland BV	75	**99.7**	F	75	99.7	F
RTL Nederland Holding BV	75	**99.7**	F	75	99.7	F
RTL Nederland Interactief BV	75	**99.7**	F	75	99.7	F
RTL Nederland Ventures BV	75	**99.7**	F	75	99.7	F
Themakanalen BV	75	**74.8**	F		–	NC
ROMANIA*						
Cable Channels SA	63	**99.7**	F	63	99.7	F
SINGAPORE*						
RTL CBS Asia Entertainment Network LLP		**70.0**	F		70.0	F

BROADCASTING TV	Note	Group's ownership 2015 (**)	Consolidated method (60)	Note	Group's ownership 2014 (**)	Consolidated method (60)
SPAIN*						
Antena 3 Eventos SLU	70	–	NC	64	19.2	E
Antena 3 Juegos SAU	71	–	NC	64	19.2	E
Antena 3 Multimedia SLU	64	**18.7**	E	64	19.2	E
Antena 3 Noticias, SLU	64	**18.7**	E	64	19.2	E
Antena 3 Television Digital Terrestre de Canarias SAU	64	**18.7**	E	64	19.2	E
Atlantis Global Solutions SL	71	–	NC	64	6.4	E
Atres Advertising SLU	64	**18.7**	E	64	19.2	E
Atresmedia Cine SLU *(former Antena 3 Films SLU)*	64	**18.7**	E	64	19.2	E
Atresmedia Corporación de Medios de Comunicación SA	64	**18.7**	E	64	19.2	E
Atresmedia Foto SL	64	**16.8**	E	64	17.3	E
Atresmedia Música SLU	64	**18.7**	E		–	NC
Canal Media Radio SAU	64	**18.7**	E	64	19.2	E
Cordina Planet SLU	64	**18.7**	E	64	19.2	E
Flooxplay SLU	64	**18.7**	E		–	NC
Guadiana Producciones SAU	64	**18.7**	E	64	19.2	E
Hola Television América SL	64	**9.3**	E	64	9.6	E
Hola TV Latam SL	64	**7.0**	E	64	7.2	E
I3 Television SL	64	**9.3**	E	64	9.6	E
La Sexta Editorial Musical, SLU	70	–	NC	64	19.2	E
Musica Aparte SAU	64	**18.7**	E	64	19.2	E
Uniprex SAU	64	**18.7**	E	64	19.2	E
Uniprex Television Digital Terrestre de Andalucia SL	64	**13.8**	E	64	14.2	E
Uniprex Television SLU	64	**18.7**	E	64	19.2	E
Uniprex Valencia TV SLU	64	**18.7**	E	64	19.2	E
SWITZERLAND*						
Goldbach Media (Switzerland) AG		**22.9**	E		22.9	E
USA*						
Hola TV US LLC	64	**7.0**	E	64	7.2	E
SND USA Inc	61	**48.2**	F	61	48.2	F

CONTENT	Note	Group's ownership 2015 (**)	Consolidated method (60)	Note	Group's ownership 2014 (**)	Consolidated method (60)
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	68	**100.0**	F	68	100.0	F
FremantleMedia Australia Pty Ltd	68	**100.0**	F	68	100.0	F
Grundy Organization Pty Ltd	68	**100.0**	F	68	100.0	F
BELGIUM*						
FremantleMedia Belgium NV		**100.0**	F		100.0	F
BRAZIL*						
FremantleMedia Brazil Produção de Televisão Ltda		**100.0**	F		100.0	F
CANADA*						
FremantleMedia Canada Inc		**100.0**	F		100.0	F
Ludia Inc		**100.0**	F		100.0	F
Miso Film Canada Inc		**51.0**	F		51.0	F
Umi Mobile Inc		**35.3**	E		–	NC
CHINA*						
AdSociety Daye Advertising Co. Ltd	71	–	NC		33.3	E
Radical Media Co. Ltd	73	**34.5**	E	73	34.5	E
CROATIA*						
FremantleMedia Hrvatska d.o.o.		**100.0**	F		100.0	F
DENMARK*						
Blu A/S		**100.0**	F		100.0	F
Miso Estate ApS		**51.0**	F		51.0	F
Miso Film ApS		**51.0**	F		51.0	F
Miso Holding ApS		**51.0**	F		51.0	F
FINLAND*						
FremantleMedia Finland Oy		**100.0**	F		100.0	F
FRANCE*						
1. 2. 3. Productions SAS		**100.0**	F		100.0	F
Fontaram SAS		**51.0**	F		–	NC
FremantleMedia France SAS		**100.0**	F		100.0	F
Kwaï SAS		**51.0**	F		–	NC
TV Presse Productions SAS		**100.0**	F		100.0	F

CONTENT	Note	Group's ownership 2015 (**)	Consoli-dated method (60)	Note	Group's ownership 2014 (**)	Consoli-dated method (60)
GERMANY*						
Divimove GmbH		**50.8**	E		50.8	E
Fremantle Licensing Germany GmbH		**99.7**	F		99.7	F
Radical Media GmbH	73	**34.5**	E	73	34.5	E
RTL Group Licensing Asia GmbH		**99.7**	F		99.7	F
RTL Group Services GmbH		**99.7**	F		99.7	F
UFA Brand Communication GmbH	62	**99.7**	F	62	99.7	F
UFA Cinema GmbH		**99.7**	F		99.7	F
UFA Distribution GmbH *(former UFA Cinema Verleih GmbH)*		**99.7**	F		99.7	F
UFA Factual GmbH	70	**–**	NC	62	99.7	F
UFA Fiction GmbH	62	**99.7**	F	62	99.7	F
UFA GmbH	62	**99.7**	F	62	99.7	F
UFA Serial Drama GmbH	62	**99.7**	F	62	99.7	F
UFA Show & Factual GmbH *(former UFA Show GmbH)*		**100.0**	F		100.0	F
UFA Sports GmbH	71	**–**	NC		99.7	F
GREECE*						
Fremantle Productions SA		**100.0**	F		100.0	F
HONG KONG*						
Fremantle Productions Asia Ltd		**100.0**	F		100.0	F
HUNGARY*						
UFA Magyarorszag KFT		**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*						
Boats SRL		**62.5**	F		–	NC
FremantleMedia Italia Spa		**100.0**	F		100.0	F
Offside SRL		**62.5**	F		–	NC
Quarto Piano SRL		**100.0**	F		–	NC
Wildside SRL		**62.5**	F		–	NC
LUXEMBOURG*						
Duchy Digital SA		**99.7**	F		99.7	F
European News Exchange SA		**76.5**	F		76.5	F
MALAYSIA*						
AGT Productions Sdn Bhd	77	**100.0**	F		–	NC
MEXICO*						
FremantleMedia Mexico SA de CV		**100.0**	F		100.0	F

CONTENT	Note	Group's ownership 2015 (**)	Consoli-dated method (60)	Note	Group's ownership 2014 (**)	Consoli-dated method (60)
THE NETHERLANDS*						
Benelux Film Investments BV		**49.8**	JV		49.8	JV
Blue Circle BV	70	**–**	NC		100.0	F
Four One Media BV	67	**100.0**	F	67	100.0	F
FremantleMedia Netherlands BV	67	**100.0**	F	67	100.0	F
FremantleMedia Overseas Holdings BV		**100.0**	F		100.0	F
Grundy Endemol Productions VOF		**50.0**	JV		50.0	JV
Grundy International Holdings (I) BV		**100.0**	F		100.0	F
No Pictures Please Productions BV	67	**75.0**	F		–	NC
RTL Nederland Film Venture BV	75	**99.7**	F	75	99.7	F
RTL Nederland Productions BV	75	**99.7**	F	75	99.7	F
NORWAY*						
FremantleMedia Norge AS		**100.0**	F		100.0	F
Miso Film Norge AS		**51.0**	F		51.0	F
POLAND*						
FremantleMedia Polska Sp.Zo.o.		**100.0**	F		100.0	F
PORTUGAL*						
FremantleMedia Portugal SA		**100.0**	F		100.0	F
RUSSIAN FEDERATION*						
Fremantle Productions LLC	71	**–**	NC		100.0	F
SINGAPORE*						
FremantleMedia Asia Pte Ltd		**100.0**	F		100.0	F
UFA Sports Asia Pte Ltd		**99.7**	F		99.7	F
SLOVAKIA*						
UFA Sports Slovakia s.r.o.	71	**–**	NC		65.8	F
SPAIN*						
Fremantle de España SL	65	**99.6**	F	65	99.6	F
FremantleMedia España SA		**100.0**	F		100.0	F
SWEDEN*						
FremantleMedia Sverige AB		**100.0**	F		100.0	F
Miso Film Sverige AB		**51.0**	F		51.0	F

CONTENT	Note	Group's ownership 2015 (**)	Consoli-dated method (60)	Note	Group's ownership 2014 (**)	Consoli-dated method (60)
UK*						
Arbie Productions Ltd	74	**100.0**	F	74	100.0	F
Corona TV Ltd		**25.0**	E		–	NC
Fremantle (UK) Productions Ltd	74	**100.0**	F	74	100.0	F
FremantleMedia Group Ltd	74	**100.0**	F	74	100.0	F
FremantleMedia Ltd	74	**100.0**	F	74	100.0	F
FremantleMedia Overseas Ltd	74	**100.0**	F	74	100.0	F
FremantleMedia Services Ltd		**100.0**	F	74	100.0	F
Full Fat Television Ltd		**25.0**	E		–	NC
Man Alive Entertainment Ltd		**25.0**	E		–	NC
Naked Entertainment Ltd		**25.0**	E		–	NC
RTL Group Support Services Ltd		**100.0**	F		100.0	F
Select TV Ltd		**100.0**	F		100.0	F
Squawka Ltd	78	**–**	JV		–	NC
Talkback Productions Ltd	69	**100.0**	F	69	100.0	F
Talkback Thames UK Ltd		**100.0**	F		100.0	F
Thames Television Holdings Ltd	74	**100.0**	F	74	100.0	F
Thames Television Ltd		**100.0**	F		100.0	F
UFA Fiction Ltd	62	**99.7**	F	62	99.7	F
USA*						
495 Productions Holdings LLC	66	**75.0**	F	66	75.0	F
All American Music Group	66	**100.0**	F	66	100.0	F
Allied Communications Inc		**100.0**	F		100.0	F
Amygdala LLC	72	**100.0**	F	72	100.0	F
Big Balls LLC	66	**95.0**	F		–	NC
Cathedral Technologies LLC	66	**75.0**	F	66	75.0	F
Fremantle Goodson Inc	66	**100.0**	F	66	100.0	F
Fremantle Licensing Inc	65	**100.0**	F	65	100.0	F
Fremantle Productions Inc	66	**100.0**	F	66	100.0	F
Fremantle Productions Music Inc	66	**100.0**	F	66	100.0	F
Fremantle Productions North America Inc	66	**100.0**	F	66	100.0	F
FremantleMedia Latin America Inc		**100.0**	F		100.0	F
FremantleMedia North America Inc	66	**100.0**	F	66	100.0	F
Good Games Live Inc	66	**100.0**	F	66	100.0	F
LBS Communications Inc	66	**100.0**	F	66	100.0	F
Leroy & Morton Productions LLC	73	**34.5**	E	73	34.5	E
Max Post LLC	72	**100.0**	F	72	100.0	F
Music Box Library Inc	66	**100.0**	F	66	100.0	F
Neville LLC	71	**–**	NC	72	100.0	F
O'Merch LLC	72	**100.0**	F	72	100.0	F
Op Services LLC	72	**100.0**	F	72	100.0	F
Original Fremantle LLC	72	**100.0**	F	72	100.0	F
Original Productions LLC	72	**100.0**	F	72	100.0	F
Outpost Digital LLC	73	**34.5**	E	73	34.5	E
Pajama Pants Productions Inc	66	**75.0**	F	66	75.0	F
Radical Media LLC	73	**34.5**	E	73	34.5	E
Reg Grundy Productions Holdings Inc	66	**100.0**	F	66	100.0	F
Studio Production Services Inc	66	**100.0**	F	66	100.0	F
The Baywatch Productions Company Corporation	66	**100.0**	F	66	100.0	F
Tiny Riot LLC	66	**100.0**	F	66	100.0	F
Vice Food LLC	66	**30.0**	JV	66	30.0	JV

BROADCASTING RADIO	Note	Group's ownership 2015 (**)	Consoli-dated method (60)	Note	Group's ownership 2014 (**)	Consoli-dated method (60)
BELGIUM*						
Cobelfra SA		**44.1**	F		44.1	F
Inadi SA		**44.1**	F		44.1	F
IP Belgium SA		**65.8**	F		65.8	F
New Contact SA		**49.8**	JV		49.8	JV
Radio Belgium Holding SA		**44.1**	F		44.1	F
FRANCE*						
Ediradio SA		**99.7**	F		99.7	F
ID (Information et Diffusion) Sàrl		**99.7**	F		99.7	F
IP France SA		**99.7**	F		99.7	F
IP Régions SA		**99.7**	F		99.7	F
RTL Net SAS		**99.7**	F		99.7	F
RTL Special Marketing Sàrl		**99.7**	F		99.7	F
SCP Sàrl		**99.7**	F		99.7	F
SERC SA		**99.7**	F		99.7	F
Sodera SA		**99.7**	F		99.7	F
GERMANY*						
Antenne Niedersachsen GmbH & Co. KG		**57.4**	F		57.4	F
AVE Gesellschaft für Hörfunkbeteiligungen GmbH		**99.7**	F		99.7	F
AVE II Vermögensverwaltungsgesellschaft mbH & Co. KG		**99.7**	F		99.7	F
BCS Broadcast Sachsen GmbH & Co. KG		**47.4**	E		47.4	E
Funkhaus Halle GmbH & Co. KG		**61.2**	F		61.2	F
Hitradio RTL Sachsen GmbH		**86.3**	F		86.3	F
Madsack Hörfunk GmbH	(***)	**99.7**	F	(***)	99.7	F
Mediengesellschaft Mittelstand Niedersachsen GmbH	(***)	**23.0**	E	(***)	23.0	E
Neue Spreeradio Hörfunkgesellschaft mbH		**99.7**	F		99.7	F
Radio Center Berlin GmbH		**99.7**	F		99.7	F
Radio Hamburg GmbH & Co. KG		**29.1**	E		29.1	E
RTL Radio Berlin GmbH		**99.7**	F		99.7	F
RTL Radio Deutschland GmbH		**99.7**	F		99.7	F
RTL Radiovermarktung GmbH		**99.7**	F		99.7	F
UFA Radio-Programmgesellschaft in Bayern mbH		**99.7**	F		99.7	F
LUXEMBOURG*						
Luxradio Sàrl		**74.8**	F		74.8	F
THE NETHERLANDS*						
RTL FM BV	70	**–**	NC	75	99.7	F
SWITZERLAND*						
swiss radioworld AG		**23.0**	E		23.0	E

(***) At 31 December 2015, the Group legally held 24.9 % and 5.7 % in Madsack Hörfunk GmbH and Mediengesellschaft Mittelstand Niedersachsen GmbH, respectively. The Group's ownership disclosed for both entities takes into account an option agreement in accordance with IAS 32

OTHERS	Note	Group's ownership 2015 (**)	Consolidated method (60)	Note	Group's ownership 2014 (**)	Consolidated method (60)
AUSTRALIA*						
SpotX Australia Pty Ltd		**70.8**	F		70.8	F
AUSTRIA*						
RTL Group Austria GmbH		**99.7**	F		99.7	F
BELGIUM*						
Audiomedia Investments Bruxelles SA		**100.0**	F		100.0	F
CANADA*						
BroadbandTV Corporation		**57.5**	F		57.5	F
RTL Canada Ltd		**100.0**	F		100.0	F
FRANCE*						
IP Network SA		**99.7**	F		99.7	F
Société Immobilière Bayard d'Antin SA		**99.7**	F		99.7	F
GERMANY*						
Apareo Deutschland GmbH		**99.7**	F		99.7	F
Apareo Holding GmbH		**99.7**	F		99.7	F
RTL Group Central & Eastern Europe GmbH		**99.7**	F		99.7	F
RTL Group Deutschland GmbH		**99.7**	F		99.7	F
RTL Group Vermögensverwaltungs GmbH		**100.0**	F		100.0	F
RTL Radio Luxemburg GmbH		**99.7**	F		–	NC
Sparwelt GmbH		**99.7**	F		99.7	F
SpotXchange Deutschland GmbH *(former SpotXchange Germany GmbH)*		**85.5**	F		–	NC
UFA Film und Fernseh GmbH		**99.7**	F		99.7	F
UFA Sports Ventures GmbH	71	**–**	NC		99.7	F
INDIA*						
YoBoHo New Media Private Ltd		**50.3**	F		–	NC
LUXEMBOURG*						
B. & C.E. SA		**99.7**	F		99.7	F
CLT-UFA SA		**99.7**	F		99.7	F
Data Center Europe Sàrl		**99.7**	F		99.7	F
IP Luxembourg Sàrl		**99.7**	F		99.7	F
IP Network International SA		**99.7**	F		99.7	F
Media Properties Sàrl		**99.7**	F		99.7	F
MP E SA	71	**–**	NC		99.7	F
RTL Group Central & Eastern Europe SA		**99.7**	F		99.7	F
RTL Group Germany SA		**99.7**	F		99.7	F
THE NETHERLANDS*						
Buienradar BV	70	**–**	NC	75	99.7	F
Dutch Learning Company BV	75	**99.7**	F		37.7	JV
Future Whiz Media BV	76	**29.7**	JV	76	29.7	JV
NLziet Coöperatief UA		**33.2**	JV		33.2	JV
RTL Group Beheer BV		**100.0**	F		100.0	F
SpotXchange Benelux BV *(former Videostrip BV)*		**85.5**	F		99.7	F
The Entertainment Group BV		**99.7**	F		99.7	F

OTHERS	Note	Group's ownership 2015 (**)	Consolidated method (60)	Note	Group's ownership 2014 (**)	Consolidated method (60)
SINGAPORE*						
RTL Group Asia Pte Ltd		**100.0**	F		100.0	F
UK*						
CLT-UFA UK Radio Ltd		**99.7**	F		99.7	F
CLT-UFA UK Television Ltd	71	**–**	NC		99.7	F
SpotXchange Ltd		**70.8**	F		70.8	F
Style Haul UK Ltd		**97.0**	F		–	NC
USA*						
BroadbandTV (USA) Inc		**57.5**	F		–	NC
Clypd Inc		**19.5**	E		–	NC
RTL US Holding Inc	66	**97.0**	F	66	97.0	F
SpotXchange Inc		**70.8**	F		70.8	F
Style Haul Inc		**97.0**	F		97.0	F
Style Haul Productions Inc		**97.0**	F		–	NC
VideoAmp Inc		**21.5**	E		–	NC
YoBoHo New Media Inc		**50.3**	F		–	NC

* Country of incorporation

60 M: parent company
F: full consolidation
JV: joint venture (equity accounting)
JO: joint operation (proportional consolidation)
E: equity accounting
NC: not consolidated
61 Groupe M6 ("de facto" control)
62 UFA Berlin Group
63 M-RTL Group
64 Atresmedia
65 Fremantle Licensing Group
66 FremantleMedia North America Group
67 FremantleMedia Productions Netherlands Group
68 FremantleMedia Australia (Holdings) Group
69 Talkback Productions Group
70 Company absorbed by a company of the Group
71 Company sold or liquidated
72 Original Productions
73 Radical Media
74 Company has elected to make use of the audit exemption in accordance with section 479A of UK Companies Act 2006
75 Company has elected to make use of the exemption to publish annual accounts in accordance with Section 403(1b) of the Dutch Civil Code
76 The Group holds certificates without voting rights providing a right to 7.5% of dividends distributed, if any
77 Set up as a Special Purpose Vehicle ("SPV") for *Asia's Got Talent* of which FremantleMedia Asia Pte Ltd is the main producer. Shares are held by a local nominee shareholder for local law purpose
78 From 30 November 2015, FremantleMedia ("FMM") and Squawka entered into an agreement and loan agreement. At 31 December FMM granted a loan and did not hold any share. Nevertheless conditions are met to consider a joint control by FMM already at 31 December. On this basis, the entity is accounted for using the equity method but at nil percentage and therefore with no contribution to the Group.

(**) The Group's ownership is based on the total number of shares after deduction of treasury shares held by the company as per 31 December

Auditors' report

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TO THE SHAREHOLDERS OF RTL GROUP S.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of RTL Group S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 116 to 207.

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 (IFRS), 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 116 to 207 give a true and fair view of the consolidated financial position of the Group as of 31 December 2015, 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, 9 March 2016

PricewaterhouseCoopers, Société coopérative

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Marc Minet *Gilles Vanderweyen*

Credits

Photography

Cover U2–3 Instagram/danielhartwichnews, Instagram/rtlaktuell, Michael Becker/FOX, RTL Nederland (2), FremantleMedia, Instagram/rtlde, Instagram/nbcagt (2), Instagram/chantaljanzen.official, Instagram/1misssmeis (2), Instagram/antonijablace (2), Twitter/@GilRozon, Instagram/norsketalentertv2, RTL Television/Stefan Gregorowius, Instagram/cristinacordula, Instagram/verenajamfm, Instagram/ERYILMAZ_SAHIN, Facebook/Tim Oliver Schultz, Instagram/ijustine, Instagram/m6officiel (2), Instagram/joeygraceffa, Instagram/jlo, Instagram/noholdenback, Instagram/klitschko_official, Instagram/kellyosbourne, Instagram/humbertotan, Instagram/jimmyjamesoh, Facebook/Das Supertalent, Instagram/karrueche, Instagram/nico_jamfm, Twitter/@LFAUIT, Instagram/funradio (2), Twitter/@FlorianKoenig1 (2), Instagram/rtl_france, Instagram/carolienspoor, Instagram/dsds

4 Chris Pizzello/Invision/AP/picture alliance, RTL Televizija, Instagram/antonijablace, StyleHaul, RTL Group

6 RTL Group

7 RTL Group

8 Christian Kruppa

9 Bertelsmann SE & Co. KGaA

10 RTL Group

11 Frank Hempel

14–15 Ralf Hiemisch/YouWorkForThem

17 Vox/Martin Rottenkolber, UEFA, RTL Television/Laura Deschner

18 RTL Nederland

19 YoBoHo/HooplaKidz

20–21 Eugenio Marongiu/Corbis and I-Stockphoto (Montage)

22 I-Stockphoto

23 FremantleMedia, RTL Television

24 RTL Group, RTL Television/Daniel van Moll

25 Vox/Martin Rottenkolber

26–27 Samuele Seguso/EyeEm/Getty Images

28–29 Jim Spellman/WireImage/Getty Images, Twitter/@heidiklum

30–31 ESO, RTL Television/Stefan Gregorowius, Instagram/nbcagt, Instagram/asiasgottalent, FremantleMedia (2), Instagram/P4trickofficial

32–33 Vox/Guido Lange

34 Emmanuelle Descraques

35 RTL Nederland/Jeroen Jumelet, RTL Nederland (4), Twitter/@aexnl, picture alliance/AP Photo

36–37 FremantleMedia

38 Francesco Prandoni/Mondadori Portfolio via Getty Images + I-Stockphoto (Montage)

39 Jean-Michel Clajot/RTL TVI, RTL TVI + I-Stockphoto (Montage)

40–41 RTL CBS Asia Entertainment Network (2), Justin Tallis/AFP/Getty Images, Kris Connor/Getty Images

42 Jamel Shabazz

43 Ross Gilmore/Redferns/Getty Images + Burak Cingi/Redferns/Getty Images (Montage)

44–45 MadebyVadim, RTL Television/Robert Grischek, RTL Television/Conny Klein (2), I-Stockphoto, Fotolia (Montage)

46 YoBoHo/ HooplaKidz

47 Instagram/carolienspoor

48–49 Michael Becker/FOX, Twitter/@KimKardashian, Twitter/@AmericanIdol

50–51 Mark Thompson/Getty Images, Alex Grimm/Bongarts/Getty Images + AFP/Getty Images (Montage), Lars Baron/Bongarts/Getty Images, RTL Television/Lukas Gorys

52 Nikkie Tutorials

53 MadebyVadim + 6play (Montage)

54–55 Ludia, RTL Group

56 Bertelsmann SE & Co. KGaA

58–63 RTL Group

64 RTL Televison/Gordon Mühle, Lou Breton/M6, N-TV

80 Bertelsmann SE & Co. KGaA

83 RTL Group

85 FremantleMedia

88, 91, 93 RTL Group

95 RTL Hungary

96–98 RTL Group

99 SpotX

100 Peter Holst, StyleHaul

Please note that we have used original social media posts with audience voices throughout the RTL Group Annual Report 2015.
The names of private users have been changed for privacy reasons.

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Five-year summary

	Year to December 2015 €m	Year to December 2014[1] €m	Year to December 2013[2] €m	Year to December 2012 €m	Year to December 2011 €m
Revenue	**6,029**	5,808	5,889	5,998	5,765
– of which net advertising sales	**3,602**	3,432	3,430	3,397	3,459
Other operating income	**55**	83	50	45	40
Consumption of current programme rights	**(2,015)**	(1,903)	(1,940)	(2,015)	(1,791)
Depreciation, amortisation and impairment	**(199)**	(203)	(203)	(187)	(178)
Other operating expenses	**(2,750)**	(2,682)	(2,687)	(2,790)	(2,746)
Impairment of goodwill of subsidiaries, impairment of investments accounted for using the equity method and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	**(6)**	(100)	(10)	(10)	(13)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**4**	1	5	(9)	107
Profit from operating activities	**1,118**	**1,000**	**1,104**	**1,032**	**1,184**
Share of results of investments accounted for using the equity method	**57**	47	102	(53)	38
Earnings before interest and taxes ("EBIT")	**1,175**	**1,047**	**1,206**	**979**	**1,222**
Net interest expense	**(25)**	(23)	(22)	(10)	(2)
Financial results other than interest	**13**	(4)	69	(1)	(27)
Profit before taxes	**1,163**	**1,020**	**1,253**	**968**	**1,193**
Income tax expense	**(300)**	(287)	(305)	(277)	(302)
Profit for the year	**863**	**733**	**948**	**691**	**891**
Loss from discontinued operations	**–**	–	–	(1)	(96)
Profit for the year	**863**	**733**	**948**	**690**	**795**
Attributable to:					
RTL Group shareholders	**789**	652	870	597	696
Non-controlling interests	**74**	81	78	93	99
Profit for the year	**863**	**733**	**948**	**690**	**795**
EBITA	**1,167**	1,144	1,152	1,078	1,134
Impairment of goodwill of subsidiaries	**–**	(88)	–	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	**(6)**	(16)	(10)	(10)	(13)
Impairment of disposal group	**–**	–	(10)	–	–
Impairment of investments accounted for using the equity method	**–**	4	68	(82)	(6)
Re-measurement of earn-out arrangements	**10**	2	1	2	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**4**	1	5	(9)	107
Earnings before interest and taxes ("EBIT")	**1,175**	**1,047**	**1,206**	**979**	**1,222**
Basic earnings per share (in €)	**5.14**	4.25	5.67	3.88	4.53
Ordinary dividend per share (in €)	**3.00**	2.50	2.50	5.10	5.10
Extraordinary dividend per share (in €)	**1.00**[3]	3.00[4]	4.50[5]	5.40	–
Dividends paid (€ million)	**619**	851	1,083	1,624	789
Average number of full-time equivalent employees	**10,325**	9,804	9,807	9,590	9,621
Net assets (€ million)	**3,409**	3,275	3,593	4,858	5,093
Net (debt)/cash (€ million)	**(670)**	(599)	36	1,051	1,238

1 Re-presented for changes in purchase price allocation
2 Re-presented following the application of IFRS 5 to Alpha Media Group (discontinued operations)
3 Including an extraordinary interim dividend, paid in September 2015
4 Including an extraordinary interim dividend, paid in September 2014
5 Including an extraordinary interim dividend, paid in September 2013

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