

# FULL-YEAR RESULTS

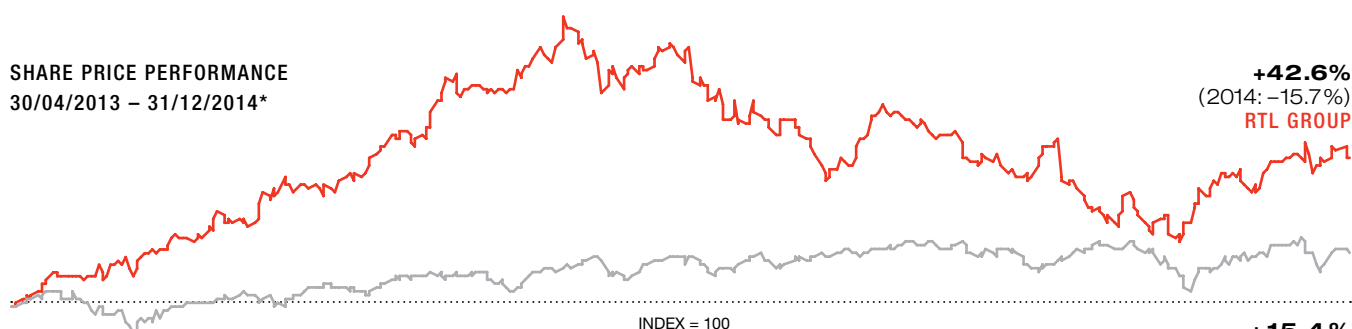
# RESULTS

# 2014



## KEY FIGURES

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



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

**+42.6%**  
(2014: -15.7%)  
**RTL GROUP**

**+15.4%**  
(2014: +4.7%)  
**DJ STOXX 600**

### REVENUE

	(€million)
14	5,808
13	5,824*
12	5,998
11	5,765
10	5,532

\*Restated for IFRS 11

### EBITA

	(€million)
14	1,145
13	1,148*
12	1,078
11	1,134
10	1,132

\*Restated for IFRS 11

### NET PROFIT ATTRIBUTABLE TO RTL GROUP SHAREHOLDERS

	(€million)
14	653
13	870
12	597
11	696
10	611

### EQUITY

	(€million)
14	3,276
13	3,593
12	4,858
11	5,093
10	5,597

### MARKET CAPITALISATION\*

	(€billion)
14	12.2
13	14.4
12	11.7
11	11.9
10	11.9

\*As of 31 December

### TOTAL DIVIDEND / DIVIDEND YIELD PER SHARE

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

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

### CASH CONVERSION RATE\*

	(%)
14	95
13	106
12	101
11	104
10	110

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

### PLATFORM REVENUE\*

	(€million)
14	220
13	185
12	175
11	128

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

### DIGITAL REVENUE\*

	(€million)
14	295
13	233
12	188

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

### ONLINE VIDEO VIEWS

	(billion)
14	36.4
13	16.8
12	6.9
11	1.9
10	1.4

# “Strong results and enhanced digital presence”



**Joint statement from Anke Schäferkordt and Guillaume de Posch,  
Co-Chief Executive Officers of RTL Group**

“Despite challenging environments in France and Hungary, RTL Group once again delivered a very strong set of financial results. Our EBITA remained at the previous year’s record level and the EBITA margin was again close to 20 per cent.

We made significant progress in implementing our strategy across broadcast, content and digital. We successfully launched three new TV channels and further established a second revenue stream from platform operators which delivers high growth rates and profit margins. We invested more than €240 million in rapidly growing digital businesses. This is the highest investment level for acquisitions since 2005.

Over the past two years, our total online video views soared from 7 billion to over 36 billion. RTL Group now owns majority stakes in the number 3 global multi-channel network, BroadbandTV; the number 1 network for fashion, beauty and lifestyle, StyleHaul; the number 1 European MCN, Divimove; and one of the top 5 global platforms for programmatic video advertising, SpotXchange. We are confident that these businesses, with additional investments, will reach such scale over the next 24 months that they become one of the growth drivers of RTL Group’s total revenue.”

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# RTL GROUP REPORTS STRONG DIGITAL GROWTH AND A RECORD FOURTH QUARTER EBITA IN 2014

- **Q4/2014: EBITA up 7.1 per cent to €466 million, driven by Mediengruppe RTL Deutschland and Groupe M6**
- **Full-year revenue and EBITA stable**
- **Major progress in implementing digital strategy with important acquisitions of online video platforms such as SpotXchange and StyleHaul**
- **Digital revenue up 26.6 per cent year-on-year**
- **High shareholder returns: total dividend of €5.50 per share for 2014**

Luxembourg, 5 March 2015 – RTL Group, the leading European entertainment network, announces its audited results for the year ended 31 December 2014.

## HIGHLIGHTS

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

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

2 Adjusted for scope changes and at constant exchange rates

3 EBITA represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

4 In September 2014 RTL Group paid an extraordinary interim dividend of €2.00 per share for fiscal year 2014

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

- Reported Group **revenue** was stable at €5,808 million (2013: €5,824 million). Higher revenue from Mediengruppe RTL Deutschland and from acquisitions (consolidation of BroadbandTV, SpotXchange and 495 Productions) was offset by lower advertising sales in France, the effect of the disposal of the French e-commerce service Mistergooddeal along with lower revenue from FremantleMedia and UFA Sports
- **EBITA** stable at €1,145 million (2013: €1,148 million), primarily driven by a significantly higher profit contribution from Mediengruppe RTL Deutschland
- Reported EBITA **margin** stable at 19.7 per cent
- **EBITDA**<sup>5</sup> slightly up by 1.5 per cent to €1,348 million (2013: €1,328 million)
- **Net profit** attributable to RTL Group shareholders decreased to €653 million (2013: €870 million). This was principally due to movements in impairment charges announced at the interim results. In 2014, RTL Group recorded a goodwill impairment on RTL Hungary amounting to €77 million. Conversely, the net profit for 2013 included a significant positive one-off effect of €72 million, resulting from the reversal of an impairment on RTL Group's holding in the Spanish broadcasting company Atresmedia
- Net cash from operating activities was €934 million, resulting in an operating cash conversion of 95 per cent and **net financial debt** of €599 million at the end of 2014 (2013: net cash of €6 million)
- In the **fourth quarter** of 2014, reported Group revenue was up 2.8 per cent at €1,862 million (Q4/2013: €1,812 million), while reported EBITA was up significantly by 7.1 per cent to €466 million (Q4/2013: €435 million)
- RTL Group's Board of Directors has proposed a **final dividend** of €3.50 per share for fiscal year 2014, comprising an ordinary dividend of €2.50 per share and an extraordinary dividend of €1.00 per share. This proposal is a reflection of the Group's strong cash flows, future investment plans and its target net debt to full-year EBITDA ratio of 0.5 to 1.0 times. In addition, RTL Group already paid an extraordinary interim dividend of €2.00 per share for fiscal year 2014 in September 2014
- Based on the average share price in 2014 (€80.55)<sup>6</sup>, the total dividends for the fiscal year 2014 (€5.50 per share; 2013: €7.00 per share) represent a **dividend yield** of 6.8 per cent

<sup>5</sup> 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

<sup>6</sup> Frankfurt Stock Exchange

### Major progress in implementing RTL Group's digital growth strategy

- RTL Group's **digital revenue**<sup>7</sup> continued to show very dynamic growth, up 26.6 per cent to €295 million (2013: €233 million) benefitting from organic growth and new acquisitions
- RTL Group's **platform revenue**<sup>8</sup> grew by 18.9 per cent to €220 million (2013: €185 million)
- RTL Group has developed massive scale in **online video**. In 2014:
  - RTL Group's catch-up TV services, websites and MCNs attracted a total 36.4 billion online video views, up 117 per cent year-on-year<sup>9</sup>
  - thereof: FremantleMedia's 216 Youtube channels attracted 9.0 billion views, up 35 per cent year-on-year
- In September, RTL Group completed the acquisition of a 65 per cent majority stake in the programmatic video advertising platform **SpotXchange** for a cash out of €104 million. Over 3 billion video ad decisions are now processed through the SpotXchange platform daily. The investment has significantly strengthened RTL Group's global scale
- In October, RTL Interactive in Germany acquired **Econa Shopping** (now renamed to Sparwelt) for a cash out of €29 million. Sparwelt operates curated advice and recommendation platforms for online shopping such as *Sparwelt.de*. It is the most significant acquisition in the history of RTL Interactive
- In December, RTL Group increased its shareholding in **StyleHaul** to 94 per cent for a cash out of €84 million, further accelerating the Group's rapidly growing presence in the online video space. With 1 billion video views per month, StyleHaul is the leading multi-channel network (MCN) on Youtube for fashion, beauty and lifestyle – a highly attractive segment for major advertisers
- In December, FremantleMedia increased its non-controlling shareholding in **Divimove** to 51 per cent. Divimove has become Europe's leading MCN with 900 million online video views per month

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

- **Mediengruppe RTL Deutschland** achieved its best financial result ever: EBITA increased by 5.0 per cent to €650 million (2013: €619 million). This improvement was mainly driven by significantly higher TV advertising revenue in the second half of the year and a growing digital distribution business
- The French net TV advertising market was estimated to be stable in 2014. The EBITA of **Groupe M6** was slightly up to €209 million (2013: €207 million), driven by higher profit contributions from the company's diversification activities
- **RTL Nederland's** EBITA stable at €103 million mainly driven by higher platform revenue and diversification activities
- EBITA of **RTL Belgium** stable at €46 million; **RTL Hungary** reports an EBITA loss of €1 million (2013: profit of €15 million), mainly due to impairments resulting from the punitive advertising tax which came into effect in August 2014
- **FremantleMedia's** EBITA decreased to €113 million (2013: €136 million). As explained at the Q3 results, this was due to the cancellation of *X Factor US*, lower revenue from *American Idol* and increased investments in digital businesses and the content pipeline

### Outlook

- The TV advertising markets in 2014 reflected the overall macro-economic situation in Europe. All European net TV advertising markets in RTL Group's territories were up year-on-year, with the exception of France – which was stable – and Belgium – which was down 2.8 per cent. This picture is expected to be similar in 2015 with overall slight growth expected
- RTL Group currently expects its total revenue and EBITA<sup>10</sup> for the full year 2015 to be broadly stable

<sup>7</sup> Excluding e-commerce, home shopping and platform revenue for digital TV

<sup>8</sup> Revenue generated across all distribution platforms (cable, satellite, IPTV) including subscription and re-transmission fees

<sup>9</sup> Consolidated view, excluding Divimove. StyleHaul included for December 2014

<sup>10</sup> Excluding one-offs

# FINANCIAL REVIEW

## REVENUE

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

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

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

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

11 Industry and RTL Group estimates

12 Source: GfK. Target group: 14–59

13 Source: Groupe M6 estimate

14 Source: Médiamétrie.

Target group: housewives under 50 (including digital channels)

15 Source: SKO.

Target group: 20–49, 18–24h

16 Source: Audimétrie.

Target group: shoppers 18–54, 17–23h

17 Source: AGB Hungary.

Target group: 18–49, prime time (including cable channels)

18 Source: AGB Nielsen Media Research.

Target group: 18–49, prime time

19 Source: Atresmedia estimate

20 Source: TNS Sofres. Target group: 16–54

21 All financial information for 2013

has been restated for IFRS 11



## EBITA AND EBITDA

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

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

## NET DEBT AND CASH CONVERSION

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

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

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

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

## FURTHER GROUP FINANCIALS

### RTL Group Value Added

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

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

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

### Main portfolio changes

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

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

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

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

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

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

### Investments accounted for using the equity method

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

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

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

### Interest income/(expense)

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

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

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

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

#### **Income tax expense**

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

#### **Profit attributable to RTL Group shareholders**

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

#### **Earnings per share**

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

#### **Own shares**

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

RTL Group directly and indirectly holds 0.8 per cent (2013: 0.8 per cent) of RTL Group's shares.

#### **Profit appropriation (RTL Group SA)<sup>23</sup>**

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

<sup>23</sup> Amounts in Euro except where stated

## MAJOR RELATED PARTY TRANSACTIONS

### Sales and purchases of goods and services

During the year the Group made sales of goods and services, purchases of goods and services to Bertelsmann Group amounting to €9 million (2013: €8 million) and €22 million (2013: €20 million), respectively. At the year-end, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €5 million (2013: €7 million) and €6 million (2013: €4 million), respectively.

### Deposits Bertelsmann SE & Co. KGaA

With a view to investing its cash surplus, RTL Group SA entered in 2006 with Bertelsmann SE & Co. KGaA (previously Bertelsmann AG) into a Deposit Agreement, the main terms of which are:

- Interest rates are based on an overnight basis on EONIA plus 10 basis points; or on a one to six month basis, EURIBOR plus 10 basis points;
- Bertelsmann SE & Co. KGaA grants to RTL Group as security for all payments due by Bertelsmann SE & Co. KGaA a pledge on:
  - All shares of its wholly owned French subsidiary Média Communication SAS;
  - All shares of its wholly owned Spanish subsidiary Media Finance Holding SL;
  - All its interests in the German limited liability partnership Gruner + Jahr GmbH & Co. KG;
  - All shares of its wholly owned English subsidiary Bertelsmann UK Ltd.

At 31 December, RTL Group SA did not hold any deposit with Bertelsmann SE & Co. KGaA (2013: € nil million on a one to three months basis and € nil million on an overnight basis). The interest income for the period is € nil (2013: €0.2 million).

The interests in Gruner + Jahr GmbH & Co. KG and shares of Bertelsmann UK Ltd have also been granted as pledge by Bertelsmann SE & Co. KGaA to CLT-UFA SA, a subsidiary of RTL Group, in connection with the accounts receivable related to PLP and Compensation Agreements as defined below.

On 22 December 2011, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement related to the deposit of surplus cash by RTL Group Deutschland GmbH with the shareholder. To secure the deposit,

Bertelsmann pledged to RTL Group Deutschland GmbH its aggregate current partnership interest in Gruner + Jahr GmbH & Co. KG.

At 31 December, RTL Group Deutschland GmbH did not hold any deposit with Bertelsmann SE & Co. KGaA (2013: € nil million). The interest income for the period is insignificant (2013: insignificant).

RTL Group SA has additionally entered into a Treasury Agreement in North America with Bertelsmann Inc. Interest rates are based on US Libor plus 10 basis points. At 31 December 2014, the balance of the cash pooling accounts receivable and payable amounts to € nil million (2013: € nil million). The interest income/expense for the year is € nil million (2013: below € 1 million).

### Loans from Bertelsmann SE & Co. KGaA

On 7 March 2013, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a term loan facility in the amount of €500 million and a revolving and swingline facility in the amount of up to €1 billion. The main terms of these facilities are:

- Term loan facility of €500 million until 7 March 2023 bearing interest at 2.713 per cent per annum; RTL Group S.A. has the right to early repay the loan subject to break costs. At 31 December 2014, the term loan balance amounts to €500 million (2013: €500 million);
- Revolving loans bear interest at the applicable EURIBOR plus a margin of 0.60 per cent per annum, and swingline loans bear interest at EONIA plus a margin of 0.60 per cent per annum. A commitment fee of 35 per cent of the applicable margin is payable where for purposes of calculation of the payable commitment fee the available commitment under the revolving and swingline facilities will be reduced by €200 million. At 31 December 2014, the total of revolving and swingline loan amounts to € 536 million (2013: € nil million).

The interest expense for the period amounts to €16 million (2013: €12 million). The commitment fee charge for the period amounts to €1 million (2013: €1 million).

## Tax

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

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

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

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

On 15 May 2013, the Board of Directors of RTL Group agreed to the amendment of the Compensation Agreement in light of the consumption of the trade tax and corporate tax losses at the level of Bertelsmann SE and Co. KGaA and of the expected level of indebtedness of RTL Group in the future.

The PLP Agreement was slightly amended in 2014 on the basis of a recent change of the German corporate tax law.

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

At 31 December 2014, the balance payable to BCH amounts to €432 million (2013: €481 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €326 million (2013: €390 million).

For the year ended 31 December 2014, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €158 million (2013: €142 million). The Commission amounts to €52 million (2013: €52 million).

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of €4 million (2013: €5 million).

## Others

On 29 October 2014, RTL Group disposed of 90 per cent, out of its 100 per cent holding, in BeProcurement SA, generating an operating income of €17 million.

# REVIEW BY SEGMENTS

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

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

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

<sup>24</sup> All financial information for 2013 has been restated for IFRS 11

# MEDIENGRUPPE RTL DEUTSCHLAND

## Financial results

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

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

\* restated for IFRS 11

## Audience ratings

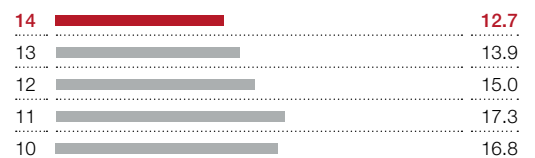
During the reporting period, the combined average audience share of **Mediengruppe RTL Deutschland's** channels decreased to 29.0 per cent (2013: 30.6 per cent) in the target group of viewers aged 14 to 59. This was mainly due to the fact that major sporting events such as the Olympic Winter Games and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

### RTL Television

### TV AUDIENCE SHARE

Source: GfK. Target: 14–59

2010–2014 (%)

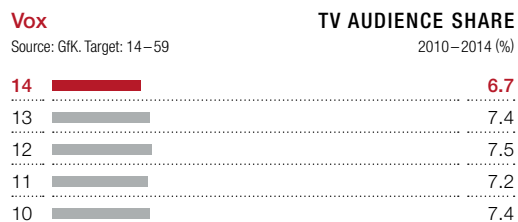


With an audience share of 12.7 per cent in the target group of viewers aged 14 to 59 in 2014 (2013: 13.9 per cent), **RTL Television** was the viewers' number one choice for the 22nd consecutive year – 3.1 percentage points ahead of the second highest-rated channel, Sat1. Additionally, RTL Television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



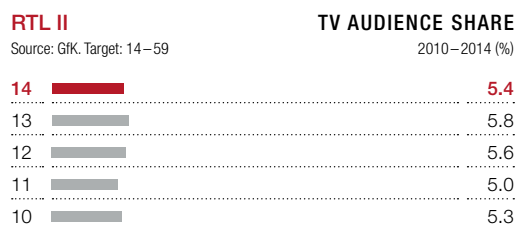
The most-watched broadcast on RTL Television in 2014 was the European Qualifier between Germany and Ireland on 14 October 2014, which attracted an average 11.07 million viewers – an average audience share of 34.9 per cent among viewers aged 14 to 59. Also popular were the boxing matches of Wladimir Klitschko.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

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

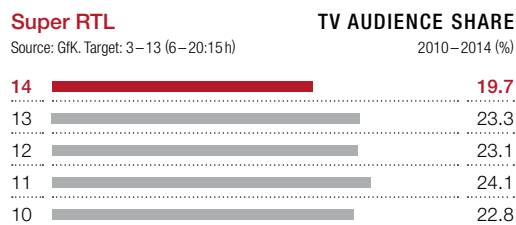


In 2014, **Vox**'s average audience share was 6.7 per cent in the target group of viewers aged 14 to 59 (2013: 7.4 per cent). One of the most popular shows was *Sing meinen Song – Das Tauschkonzert* with Xavier Naidoo which attracted an average 9.1 per cent of target viewers. The newly launched *Die Höhle der Löwen* was popular from the start. With an average audience share of 8.9 per cent in the target group, Vox has already commissioned a second season of the show. The fourth season of *Rizzoli & Isles* was watched by an average 9.2 per cent of viewers in the target group. During the day, Vox scored with *Shopping Queen* and its popular host and designer Guido Maria Kretschmer, which attracted an average daily audience of 8.6 per cent of viewers aged 14 to 59.

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



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



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



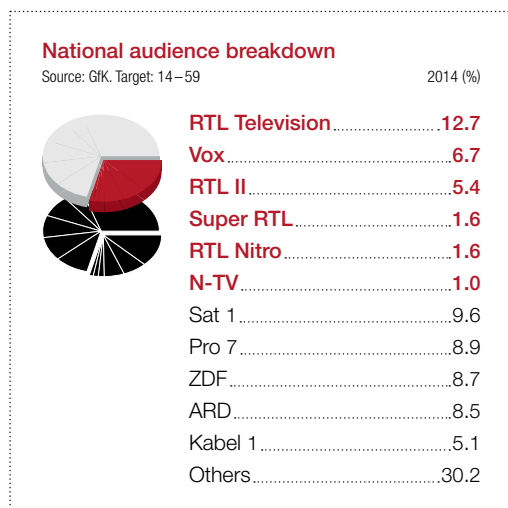
The news channel **N-TV** attracted 1.0 per cent of viewers aged 14 to 59 (2013: 1.0 per cent). Especially popular were N-TV's morning news casts and *Telebörse*, the channel's stock market reports. With an average 75.3 million visits per month, *N-TV.de* and the mobile offerings of N-TV are regularly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

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

**Digital and diversification activities**

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

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



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

# GROUPE M6

## Financial results

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

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

\* restated for IFRS 11

## Audience ratings

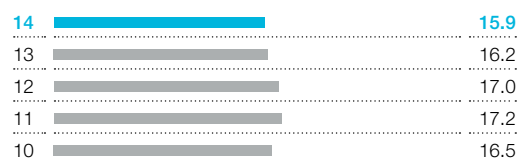
In 2014, two major sport events (the Winter Olympic Games and the Fifa World Cup) had a strong impact on average audience shares in France. In addition, the six new DTT channels launched in December 2012 continued to grow, reaching an average total audience share of 3.8 per cent (2013: 2.3 per cent),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

### M6

Source: Médiamétrie. Target: housewives < 50

### TV AUDIENCE SHARE

2010 – 2014 (%)



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

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

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

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





For the fourth consecutive year, **W9** was the leading prime-time DTT channel in France among housewives under 50, attracting an average audience share of 3.6 per cent (2013: 4.0 per cent). Underlining its positioning as a ‘mini-generalist’ channel, W9 scored high ratings in various genres, including movies, magazines, factual entertainment formats, reality TV shows and live broadcasts of Uefa Europa League football matches. The broadcast of the Europa League match between Lyon and Turin was watched by 2 million viewers, making it the most-watched show on French DTT in 2014, and attracting the best audience for W9 since the channel’s launch.

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

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

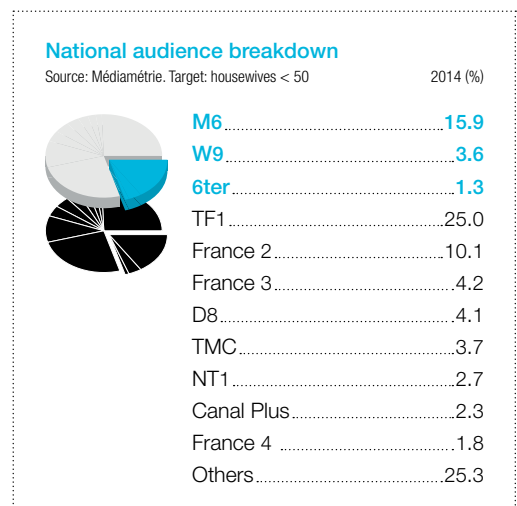
**Digital and diversification activities**

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

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

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

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



# FREMANTLEMEDIA

## Financial results

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

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

\* restated for IFRS 11

## Strategy

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

## Production business

In 2014, FremantleMedia’s global network of production companies was responsible for rolling out more than 48 formats and airing 342 productions worldwide. The business also distributed more than 20,000 hours of content in over 200 territories, making FremantleMedia one of the largest creators and distributors of award-winning international programme brands in the world.

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



**Non-scripted**

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

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

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

**Number of hours broadcast**

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

**Breakdown of hours broadcast by main markets**

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

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

**Scripted**

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

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

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

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

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

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

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

### **Kids & Family Entertainment**

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

### **Digital**

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

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

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

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

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

# RTL NEDERLAND

## Financial results

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

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

\* restated for IFRS 11

## Audience ratings

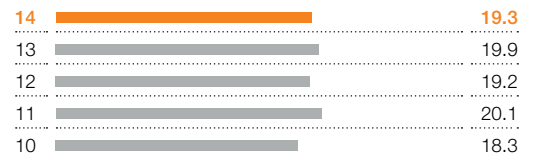
During the reporting period, RTL Nederland's channels reached a combined prime-time audience share of 32.4 per cent in the target group of viewers aged 20 to 49, slightly down from 33.5 per cent in 2013 – mainly due to the broadcast of the Fifa World Cup and Olympic Winter Games on the public channels.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

### RTL 4

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

### TV AUDIENCE SHARE

2010–2014 (%)



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

### RTL 5

Source: SKO. Target: 20–34 (18–24h)

### TV AUDIENCE SHARE

2010–2014 (%)



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



**RTL 7**

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

**TV AUDIENCE SHARE**

2010–2014 (%)



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

**RTL 8**

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

**TV AUDIENCE SHARE**

2010–2014 (%)



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

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

**Digital and diversification activities**

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

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

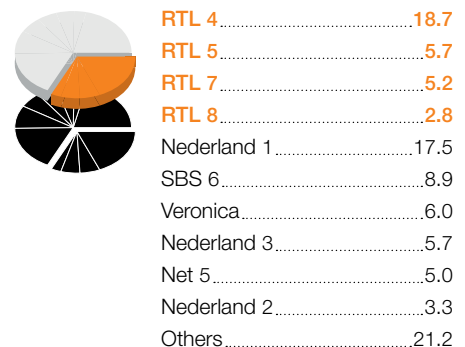
Another successful business unit of RTL Nederland is film ventures. International blockbusters *The Wolf Of Wall Street* and *Gooische Vrouwen 2*, based on the popular RTL 4 series *Gooische Vrouwen*, were two big hits in the Netherlands. With more than 2 million visitors since its premiere in December,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

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

**National audience breakdown**

Source: SKO. Target: 20–49 (18–24h)

2014 (%)





# RTL BELGIUM

## Financial results

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

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

\* restated for IFRS 11

## Audience ratings

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

## RTL-TVI

## TV AUDIENCE SHARE

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

2010–2014 (%)

14	25.5
13	26.6
12	27.3
11	29.6
10	30.0

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



**Club RTL**

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

**TV AUDIENCE SHARE**

2010–2014 (%)

14	6.9
13	7.4
12	6.4
11	5.5
10	5.5

**Plug RTL**

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

**TV AUDIENCE SHARE**

2010–2014 (%)

14	4.9
13	4.5
12	3.8
11	3.4
10	3.8

**Digital and diversification activities**

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

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

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

**French-speaking Belgium audience breakdown**

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

2014 (%)



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

# RTL RADIO (FRANCE)

## Financial results

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

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

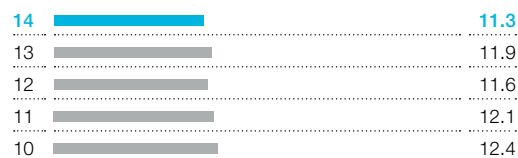
\* restated for IFRS 11

## Audience ratings

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

### RTL Radio

Source: Médiamétrie. Target: 13+



### AUDIENCE SHARE

2010–2014 (%)

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

### Fun Radio

Source: Médiamétrie. Target: housewives < 50



### AUDIENCE SHARE

2010–2014 (%)

### RTL 2

Source: Médiamétrie. Target: 13+



### AUDIENCE SHARE

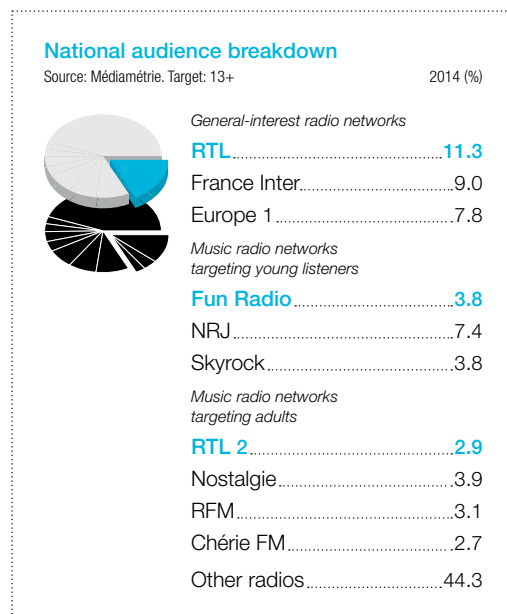
2010–2014 (%)

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



**Digital and diversification activities**

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

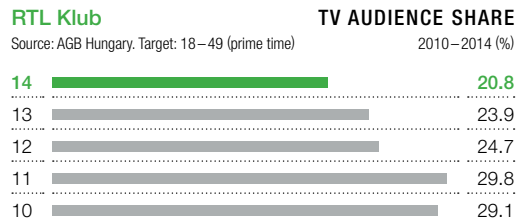


# OTHER SEGMENTS

This segment comprises the fully consolidated businesses RTL Hungary, RTL Hrvatska (Croatia), RTL Group's Luxembourgish activities, the German radio business, UFA Sports and the Spanish investment accounted for using the equity method, Atresmedia in Spain. Additionally, this segment includes RTL Group's digital assets BroadbandTV, StyleHaul and SpotXchange.

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

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



The combined prime-time audience share of the RTL family of channels in the key demographic of 18 to 49-year-old viewers was 36.6 per cent (2013: 38.0 per cent). The prime-time audience share of **RTL Klub** decreased to 20.8 per cent (2013: 23.9 per

cent) though the profit centre's flagship channel remained the clear market leader, 6.4 percentage points ahead of its main commercial competitor TV2 (2013: lead of 8.4 percentage points).

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

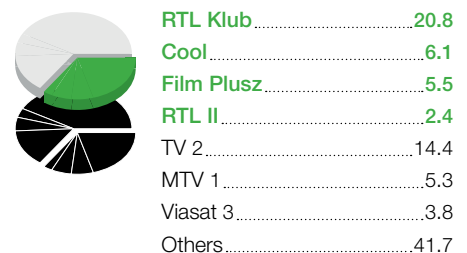
RTL Hungary's **cable channels** achieved a combined prime-time audience share of 15.9 per cent among viewers aged 18 to 49 (2013: 14.1 per cent). With a prime-time audience share of 6.1 per cent in the target group (2013: 5.5 per cent), Cool was once again the leading cable channel in Hungary. The channel's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

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



### National audience breakdown

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



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

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

#### RTL Televizija

#### TV AUDIENCE SHARE

Source: AGB Nielsen Media Research. Target: 18–49 (prime time) 2010–2014 (%)

Year	TV Audience Share (%)
2014	17.7
2013	20.6
2012	21.9
2011	23.3
2010	27.3

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

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

**RTL 2** recorded a prime-time audience share of 6.2 per cent (2013: 7.3 per cent). US sitcoms continued to be a vital part of the channel's offering, with *Big Bang Theory*, *Modern Family*, *Two And A Half Men* and *The Simpsons* among the most popular series.

The children's channel **RTL Kockica**, launched on 11 January 2014, achieved an average audience share of 17.2 per cent among children aged 4 to 14 between 7:00 and 20:00. The channel's programming is fully adjusted to children's daily activities and segmented into three separate units: morning shows for pre-school children, afternoon shows for school children, and evening shows for young people and the whole family.

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

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

#### National audience breakdown

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

Channel	Share (%)
RTL Televizija	17.7
RTL 2	6.2
RTL Kockica	1.1
Nova	27.5
HTV 2	10.9
HTV 1	8.3
Doma	7.1
Others	21.2





In 2014, RTL was once again the leading media brand in the Grand Duchy of Luxembourg. Combining its TV, radio and internet activities, the **RTL Lëtzebuerg** media family achieved a daily reach of 82.0 per cent (2013: 83.2 per cent) of all Luxembourgers aged 12 and over.

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

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

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

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

<b>RTL Lëtzebuerg</b>		<b>DAILY REACH</b>
Source: TNS-ILRes Plurimedia 2014. Target: 12+		2014 (%)
RTL Radio Lëtz.		52.8
RTL Télé Lëtz.*		38.2
RTL.lu		33.8
<b>RTL Lëtzebuerg</b>		<b>82.0</b>

\*Including Den 2. RTL

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

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

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

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

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

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

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

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

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

**Atresmedia in Spain:** The Spanish TV advertising market increased by an estimated 11.0 per cent in 2014. Despite the decision of the Spanish Supreme Court to close down nine Spanish DTT channels in May – three of which were operated by Atresmedia – the Atresmedia family of channels achieved a combined audience share of 30.0 per cent in the key

commercial target group of viewers aged 16 to 54 (2013: 31.0 per cent). The main channel, Antena 3, recorded an audience share of 13.8 per cent (2013: 13.4 per cent) in the commercial target group.

### Antena 3

Source: TNS Sofres. Target: 16–54

### TV AUDIENCE SHARE

2010–2014 (%)

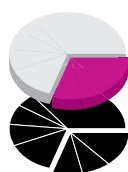
14		13.8
13		13.4
12		12.5
11		11.7
10		11.8

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

### National audience breakdown

Source: TNS Sofres. Target: 16–54

2014 (%)



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



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

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

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

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

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

<sup>25</sup> As of December 2014

## SIGNIFICANT LITIGATIONS

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

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

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

Several subsidiaries of the Group are being sued by broadcaster RTL 2 Fernsehen GmbH & Co. KG and its sales house El Cartel Media GmbH & Co. KG before the regional court in Düsseldorf in Germany seeking disclosure of information in order to substantiate a possible claim for damages. The proceedings succeed the imposition of a fine in 2007 by the German Federal Cartel Office for the abuse of market dominance with regard to discount scheme agreements ("share deals") IP Deutschland GmbH and SevenOne Media GmbH granted to media agencies. The German Federal Cartel Office argued that these discounts would foreclose the advertising market for small broadcasters. The proceedings involve IP Deutschland GmbH, RTL Television GmbH, Vox Television GmbH, RTL Disney Fernsehen GmbH & Co. KG and N-TV Nachrichten GmbH. Broadcasters MTV Networks Germany GmbH as well as TeleMünchen-TV GmbH had initiated similar proceedings before the regional court in Munich. TeleMünchen-TV GmbH was unsuccessful in first and second instance, the judgment being now final and non-appealable. MTV Networks Germany GmbH withdrew its lawsuit in September 2013.

Brandi Cochran was employed as a model on the television series *The Price Is Right* from July 2002 until February 2010 and is claiming wrongful termination and other allegations due to her gender and pregnancy. Her claim was brought against FremantleMedia North America ("FMNA"). The Court entered judgment in January 2013 and awarded her damages in the amount of \$8,536,384 (compensatory damages of \$766,944 and punitive damages of \$7,769,440; subject to interest at the rate of 10 per cent per annum until paid) plus attorney's fees. FMNA appealed the verdict. FMNA filed post-trial motions for (i) a new trial and (ii) judgment notwithstanding the verdict ("JNOV"). In March 2013, the motion for a new trial was granted (and the verdict was vacated), but the motion for JNOV was denied. FMNA filed an appeal on the denial of the motion for JNOV, while Brandi Cochran appealed the granting of a new trial. A decision on both appeals is expected in late 2014 or early 2015. In December 2014, the Appellate Court remanded the parties for a new trial and allowed Brandi Cochran to introduce new arguments. Trial is expected to commence in late spring/early summer 2015.

## PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties will be disclosed in note 3 to the consolidated financial statements for the financial risks and in the section “Corporate Governance” on the *RTLGroup.com* website for the external and market risks.

## CORPORATE GOVERNANCE STATEMENT

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

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

### Shareholders

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

As at December 2014, Bertelsmann held 75.1 per cent of RTL Group shares, and 24.1 per cent were publicly traded. The remaining 0.8 per cent were held collectively as treasury stock by RTL Group and one of its subsidiaries.

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

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

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

## Board and management

### Board of Directors

On 31 December 2014 the Board of RTL Group had 12 members: three executive directors, and nine non-executive directors. Achim Berg, co-opted as non-executive director on 5 March 2014 in replacement of Thomas Hesse, and Jonathan F. Miller, elected as non-executive director at the General Meeting of Shareholders on 16 April 2014 were appointed for one year. The other executive and non-executive directors elected at the General Meeting of Shareholders on 18 April 2012 were appointed for three years. Four of the non-executive directors – Jonathan F. Miller, Jacques Santer, James Singh and Martin Taylor – are independent of management and other outside interests that might interfere with their independent judgement.

Martin Taylor was appointed under the criteria of independence of the London Stock Exchange, before RTL Group adopted the Ten Principles of the Luxembourg Stock Exchange, though at the time of his last reappointment he met the criteria of the latter. Jonathan F. Miller, Jacques Santer and James Singh are independent directors, and both meet the current criteria of independence of the Ten Principles of the Luxembourg Stock Exchange.

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

The responsibility for day-to-day management of the Company is delegated to the Chief Executive Officers ("CEOs"). The Board has a number of responsibilities, which include approving the annual Group's budget, overseeing significant acquisitions and disposals, and managing the Group's financial statements. The Board of Directors met four times in 2014 physically or via telephone conference – with an average attendance rate of 93 per cent – and adopted some decisions by circular resolution. An evaluation process of the Board of Directors' activities – and the activities of its committees – was carried out in 2014. The findings were discussed by the Board.

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

In 2014, a total of €0.6 million (2013: €0.6 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors and the Committees that emanate from it.

Neither options nor loans have been granted to Directors.

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

*The following Board Committees are established:*

### Nomination and Compensation Committee

The Nomination and Compensation Committee comprises three non-executive directors, one of whom is an independent director (who also chairs the meetings), and meets at least twice a year. The Committee's plenary meetings are attended by the CEOs and the Executive Vice President Human Resources. The Nomination and Compensation Committee may involve other persons whose collaboration is deemed to be advantageous to assist the Nomination and Compensation Committee in fulfilling its tasks. The Chairman of the Nomination and Compensation Committee reports on the discussion held and conclusions taken by the Nomination and Compensation Committee to the subsequent Board of Directors meeting. The Nomination and Compensation Committee met five times in 2014 physically or via telephone conference, with an average attendance rate of 100 per cent.

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

### Audit Committee

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

The Committee's plenary meetings are attended by the CEOs, the Chief Financial Officer ("CFO"), the Head of Audit & Compliance, the external auditors and other senior Group finance representatives. The Audit Committee may invite other persons whose collaboration is deemed to be advantageous to assist the Audit Committee in fulfilling its tasks. The Audit Committee met five times in 2014 physically or via telephone conference, with an average attendance rate of 90 per cent. The Chairman of the Audit Committee reports on the discussions held and conclusions taken by the Audit Committee to the subsequent Board of Directors meeting.

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

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

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

### CEOs

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

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

### Executive Committee

On 31 December 2014, the Executive Committee is comprised of the three executive directors, that is the two CEOs and the CFO. The Executive Vice President Regional Operations & Business Development CEE and Asia is invited to attend the meetings on a permanent basis. The Executive Committee is vested with internal management authority.

### External auditor

In accordance with the Luxembourg law on commercial companies, the Company's annual and consolidated accounts are certified by an external auditor, appointed at the Annual General Meeting of Shareholders. On 16 April 2014, the shareholders appointed Pricewaterhouse Coopers, société coopérative (PwC) for a year. PwC's mandate will expire at the Annual General Meeting on 15 April 2015.

### Dealing in shares

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

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

Restrictions apply to:

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

### Code of Conduct

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

More information on the Code of Conduct is available at [RTLGroup.com/codeofconduct](http://RTLGroup.com/codeofconduct).

### Internal controls over financial reporting

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

### Standards and rules

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

### Systems and related controls

Locally used ("ERP", treasury applications) finance systems are largely centrally monitored via a common system platform to ensure a consistent set-up of system-embedded controls. Segregation of duties, access rights and approval limits are regularly reviewed by the local data owners for all reporting units whose finance systems are centrally maintained. Internal and external financial reporting is upstreamed by a centrally managed integrated finance system – from budgeting and trend year analysis, monthly internal management reporting, forecasting of financial and operational KPIs, to consolidation and external financial reporting, and finally risk management reporting (see the section "How we manage risks"). Specific system-embedded controls

support the consolidation process, including the reconciliation of intercompany transactions. IT General Controls ("ITGCs") are regularly assessed by external experts or by internal audit. For all the RTL Group central applications and interfaces (the "Referenced Applications") as well as their related IT infrastructure, controls objectives are defined. The description of the control environment and the effectiveness of these controls are subject to an annual SOC1 ISAE3402 third party assurance report. The Group's consolidation scope is constantly updated, both at the level of financial interests captured in the consolidation system, and at the level of legal information through a dedicated legal scope system.

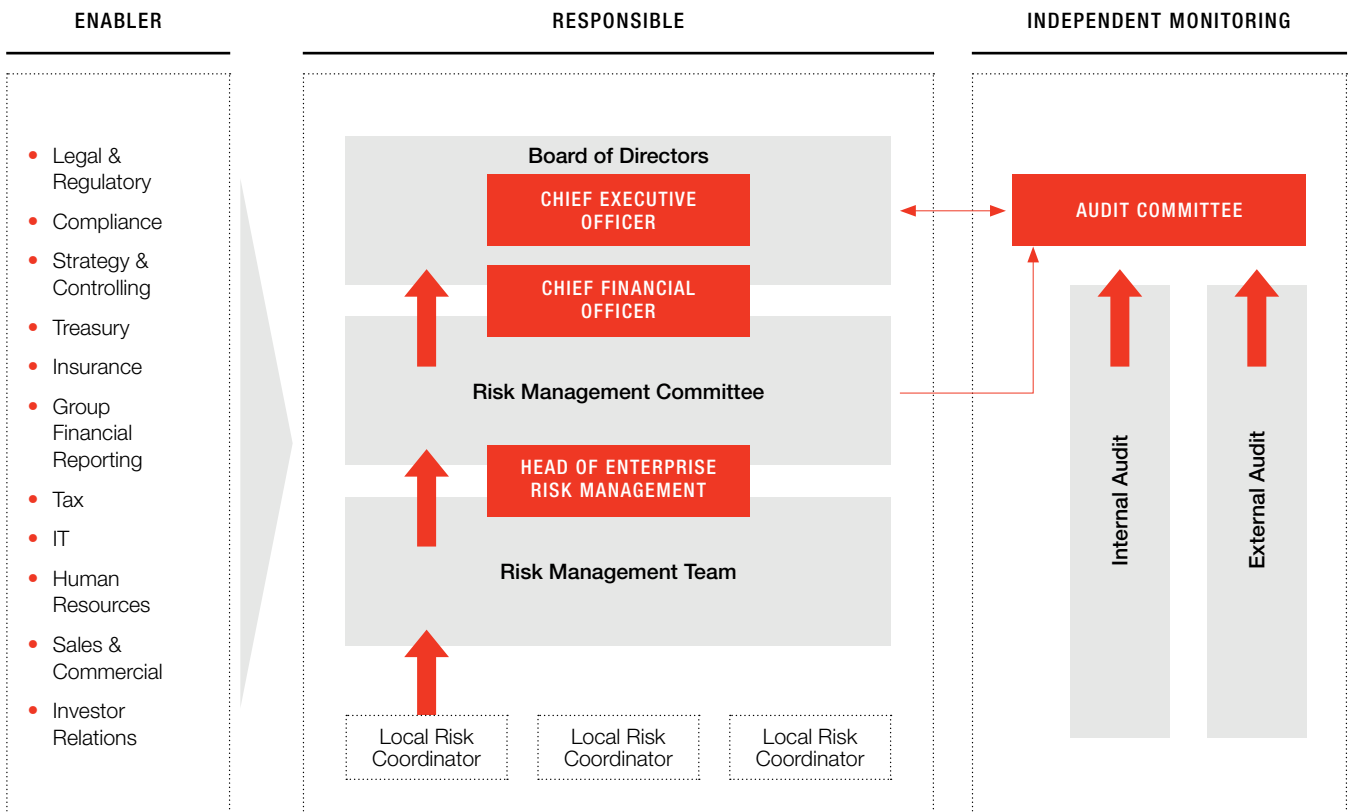
### Analytics and reporting

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

### Transparency

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

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



**How we manage risks**

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

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

RTL Group defines its risk management as a continuous process at Business Unit and Group level to prevent, protect, mitigate and leverage risks in light of execution of RTL Group’s mission and strategic objectives. RTL Group’s risk management has been designed to be fully aligned with International Risk Management Standards (e.g. COSO framework) and Bertelsmann SE & CO. KGaA’s risk management practices. RTL Group has robust risk management processes in place, designed to ensure that risks are identified, monitored and controlled. RTL Group’s risk management system is based on a specific policy

and a clear set of procedures. Policies and procedures are reviewed on a regular basis by the Internal Audit Department and/or external consulting companies. Risk management and risk reporting are co-ordinated by the Head of Enterprise Risk Management (ERM), and reporting is then reviewed by the Internal Audit Department.

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

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

The risk management organisation is the combination of structures and relationships (see the diagram above) which enables a proper risk governance environment. RTL Group’s Risk management governance model has a strong vertical component descending from the Board, Executive, Audit and Risk Management Committees, through the Execu-

tive responsible (CEO, CFO and Head of ERM) and down to all the levels of the dedicated risk management functions, including Group local entities. This backbone is enabled by related control functions carried out by the Legal & Regulatory, Compliance, Strategy & Controlling, Treasury, Insurance, Group Financial Reporting, Tax, IT, Human Resources, Sales & Commercial and Investor Relations departments. Besides, an independent monitoring is carried out by Internal Audit and External Audit.

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

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

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

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

#### Definition of risk

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

#### Risk reporting framework

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

This framework is based on a number of key principles:

- **Comprehensive scope of risk assessment:** risks are assessed within a framework of defined key risk categories. Regular risk assessments include a

description of the risk, an indication of the potential financial impact, and steps taken to mitigate the risk. These steps are performed throughout RTL Group, consolidated by the Head of Enterprise Risk Management, reviewed by the Internal Audit Department, and ultimately summarised in a dedicated risk management report. Results are presented to the Audit Committee.

- **Regular and consistent reporting:** RTL Group's system of internal controls ensures that risks are addressed, reported and mitigated when they arise. All significant risks are comprehensively assessed within the risk reporting framework, and reported to RTL Group management on a bi-annual basis. This ensures that necessary actions are undertaken to manage, mitigate or offset risks within the Group. The risks are reported in a common reporting tool to ensure consistency in scope and approach.
- **Bottom-up approach:** RTL Group assesses risks where they arise – in its operations. All business units assess themselves according to the two parts of the Risk Management Report:
  - Part A: Risk assessment and quantification of residual risks if applicable
  - Part B: Self-assessment on Internal Controls in place
- **Consolidated Group matrix:** the enterprise risk management team aggregates a comprehensive view of significant risks for the Group by consolidating local risk assessments. A Risk Management Committee prepares and reviews this consolidated Group risk matrix. The committee also:
  - Advises on the control and reporting process for any major risks, and recommends mitigation strategies to the Group CFO
  - Monitors follow-up of risks and ensures mitigation measures have been taken
  - Increases risk awareness within the Group
  - Identifies potential optimisation opportunities in processes
- **Audit approach:** both the process of local risk assessments and the consolidated Group risk matrices are regularly reviewed by the Internal Audit.

#### Going forward

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

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



## LUXEMBOURG LAW ON TAKEOVER BIDS

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

### a) Share capital structure

RTL Group SA has issued one class of shares which is admitted to trading on the Frankfurt Stock Exchange, Euronext Brussels and the Luxembourg Stock Exchange. No other securities have been issued. The issued share capital as at 31 December 2013 amounts to €191,900,551 represented by 154,787,554 shares with no par value, each fully paid-up.

### b) Transfer restrictions

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

### c) Major shareholding

The shareholding structure of RTL Group SA as at 31 December 2014 is as follows: Bertelsmann Capital Holding GmbH held 75.1 per cent, 24.1 per cent were publicly traded and the remaining 0.8 per cent were held collectively as treasury stock by RTL Group SA and one of its subsidiaries.

### d) Special control rights

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

### e) Control system in employee share scheme

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

### f) Voting rights

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

### g) Shareholders' agreement with transfer restrictions

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

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

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

### i) Powers of the Board of Directors

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

### j) Significant agreements or essential business contracts

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

### k) Agreements with Directors and employees

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

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

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

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

As a result, RTL Group currently expects its **total revenue** and **EBITA**<sup>27</sup> to be broadly stable.

RTL Group has historically shown an **operating cash conversion** rate of close to 100 per cent and this is not expected to change significantly.

The central performance indicator for assessing the profitability from operations and return on invested capital is **RTL Group Value Added (RVA)**<sup>28</sup>. RVA measures the profit realised above and beyond the appropriate return on invested capital. This form of value orientation is reflected in strategic investment and portfolio planning, including the management of Group operations, and is the basis for senior management compensation. In 2014, RVA was €457 million (2013: €464 million). With selected programme investments and higher working capital, RTL Group expects the RVA to be slightly down in 2015.

4 March 2015

*The Board of Directors*

<sup>26</sup> Platform revenue defined as revenue generated across all distribution platforms (cable, satellite, IPTV) including subscription and re-transmission fees

<sup>27</sup> Excluding one-offs

<sup>28</sup> The RVA is the difference between net operating profit after tax (NOPAT), defined as EBITA adjusted for a uniform tax rate of 33 per cent, and cost of capital. Cost of capital is the product of the weighted average cost of capital (a uniform 8 per cent after taxes) and invested capital (operating assets less non-interest-bearing operating liabilities). The present value of operating leases is also taken into account when calculating the invested capital

# CONSOLIDATED INCOME STATEMENT

for the year ended 31 December

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

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

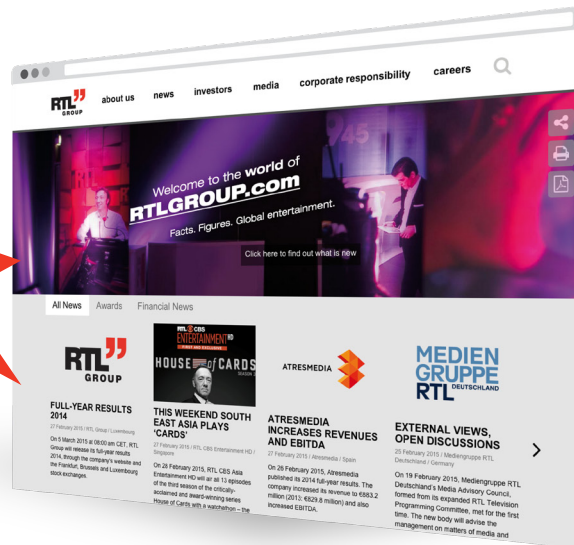
	Share capital € m	Treasury shares € m	Currency translation reserve € m	Hedging reserve € m	Revaluation reserve € m	Reserves and retained earnings € m	Equity attributable to RTL Group shareholders € m	Equity attributable to non-controlling interests € m	Total equity € m
<b>Balance at 1 January 2013 restated</b>	<b>192</b>	<b>(44)</b>	<b>(142)</b>	<b>21</b>	<b>96</b>	<b>4,243</b>	<b>4,366</b>	<b>492</b>	<b>4,858</b>
<b>Total comprehensive income:</b>									
Profit for the year	-	-	-	-	-	870	870	78	<b>948</b>
Foreign currency translation differences	-	-	(26)	-	-	-	(26)	-	<b>(26)</b>
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	(19)	-	-	(19)	-	<b>(19)</b>
Change in fair value of cash flow hedges transferred to profit and loss, net of tax	-	-	-	(10)	-	-	(10)	-	<b>(10)</b>
Fair value gains/(losses) on available-for-sale financial assets, net of tax	-	-	-	-	(11)	-	(11)	(1)	<b>(12)</b>
Re-measurement of post-employment benefit obligations, net of tax	-	-	-	-	-	(1)	(1)	-	<b>(1)</b>
	-	-	(26)	(29)	(11)	869	803	77	<b>880</b>
<b>Capital transactions with owners:</b>									
Dividends	-	-	-	-	-	(1,998)	(1,998)	(144)	<b>(2,142)</b>
Equity-settled transactions, net of tax	-	-	-	-	-	2	2	3	<b>5</b>
Transactions on non-controlling interests without a change in control	-	-	-	-	-	(5)	(5)	1	<b>(4)</b>
Transactions on non-controlling interests with a change in control	-	-	-	-	-	(10)	(10)	4	<b>(6)</b>
Derivatives on equity instruments	-	-	-	-	-	1	1	1	<b>2</b>
	-	-	-	-	-	(2,010)	(2,010)	(135)	<b>(2,145)</b>
<b>Balance at 31 December 2013 restated</b>	<b>192</b>	<b>(44)</b>	<b>(168)</b>	<b>(8)</b>	<b>85</b>	<b>3,102</b>	<b>3,159</b>	<b>434</b>	<b>3,593</b>
<b>Total comprehensive income:</b>									
Profit for the year	-	-	-	-	-	653	653	81	<b>734</b>
Foreign currency translation differences	-	-	19	-	-	-	19	-	<b>19</b>
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	50	-	-	50	2	<b>52</b>
Fair value gains/(losses) on available-for-sale financial assets, net of tax	-	-	-	-	(8)	-	(8)	-	<b>(8)</b>
Re-measurement of post-employment benefit obligations, net of tax	-	-	-	-	-	(39)	(39)	(1)	<b>(40)</b>
	-	-	19	50	(8)	614	675	82	<b>757</b>
<b>Capital transactions with owners:</b>									
Dividends	-	-	-	-	-	(999)	(999)	(74)	<b>(1,073)</b>
Equity-settled transactions, net of tax	-	-	-	-	-	3	3	3	<b>6</b>
Acquisition of treasury shares	-	(1)	-	-	-	-	(1)	-	<b>(1)</b>
Transactions on non-controlling interests without a change in control	-	-	-	-	-	3	3	6	<b>9</b>
Transactions on non-controlling interests with a change in control	-	-	-	-	-	(21)	(21)	(1)	<b>(22)</b>
Derivatives on equity instruments	-	-	-	-	-	(2)	(2)	(3)	<b>(5)</b>
Transactions on treasury shares of associates	-	-	-	-	-	12	12	-	<b>12</b>
	-	(1)	-	-	-	(1,004)	(1,005)	(69)	<b>(1,074)</b>
<b>Balance at 31 December 2014</b>	<b>192</b>	<b>(45)</b>	<b>(149)</b>	<b>42</b>	<b>77</b>	<b>2,712</b>	<b>2,829</b>	<b>447</b>	<b>3,276</b>

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December

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

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## Financial calendar

15 April 2015  
7 May 2015  
27 August 2015  
12 November 2015

Annual General Meeting (AGM) 2015  
Results Q1/2015  
Interim results 2015  
Results Q3/2015

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Dominik Gigler

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