INTERIM REPORT

JANUARY TO JUNE
2019

RTL GROUP

ENTERTAIN. INFORM. ENGAGE.

"WE ARE ACTIVELY SHAPING THE FUTURE OF THE EUROPEAN TOTAL VIDEO INDUSTRY."

Statement from THOMAS RABE, Chief Executive Officer of RTL Group

"RTL Group had a successful first half of the year 2019 as the content and digital businesses further accelerated our growth. Operating profitability remained at high levels – and this despite substantially higher programming and VOD investments and restructuring charges.

We will further increase our investments in content and technology. RTL Group is well positioned for the current investment cycle in the European TV industry: we have leading market positions, our streaming services are growing fast and our financial position is strong. With new alliances and partnerships, we are actively shaping the future of the European Total Video industry – from content creation to ad sales and technology."

RTL GROUP REPORTS HIGHEST-EVER FIRST-HALF REVENUE

Group revenue up 4.2 per cent to € 3.2 billion in H1/2019, and up 4.6 per cent on a like-for-like basis

EBITA broadly stable at € 538 million despite higher programming and video-on-demand (VOD) investments

Profit for the period up 21.0 per cent to € 443 million

Paying subscribers for RTL Group's VOD platforms in Germany and the Netherlands up 46.2 per cent

New alliances and partnerships: RTL Group shapes the future of the European TV industry

RTL Group updates and confirms full-year 2019 outlook

New dividend policy approved, targeting a pay-out ratio of at least 80 per cent of the adjusted net profit, payable after the Annual General Meeting

Luxembourg, 28 August 2019 – RTL Group announces its results for the six months ended 30 June 2019.

KEY FINANCIAL FIGURES JANUARY TO JUNE 2019

	H1 / 2019 €m	H1 / 2018 €m	Per cent change
Revenue	**3,173**	**3,046**	**+4.2**
Underlying revenue[1]	**3,124**	**2,988**	**+4.6**
EBITA	**538**	**548**	**(1.8)**
Reported EBITA margin (%)	17.0	18.0	
Reported EBITA	**538**	**548**	
Impairment of investments accounted for using the equity method	–	(2)	
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(10)	(7)	
Re-measurement of earn-out arrangements and gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	70	9	
EBIT	**598**	**548**	**+9.1**
Net financial income / (expense)	–	(6)	
Income tax expense	(155)	(176)	
Profit for the period	**443**	**366**	**+21.0**
Attributable to:			
– Non-controlling interests	50	48	
– RTL Group shareholders	**393**	**318**	**+23.6**
Reported EPS (in €)	**2.56**	**2.07**	**+23.7**

1 Adjusted for minor scope changes and at constant exchange rates

H1/2019: RECORD FIRST-HALF-YEAR REVENUE, JUMP IN NET PROFIT

- **Group revenue** was up 4.2 per cent to a record level of €3,173 million (H1/2018: €3,046 million), driven by Fremantle and the digital businesses. On a like-for-like basis, revenue rose 4.6 per cent to €3,124 million (H1/2018: €2,988 million) – the highest growth rate since 2010.

- RTL Group's **digital revenue** grew 21.0 per cent to €513 million (H1/2018: €424 million), driven by Fremantle, BroadbandTV, SpotX and the Group's streaming services TV Now and Videoland.

- Reported Group **EBITA**[2] was broadly stable at €538 million (H1/2018: €548 million). Higher investments in programming and VOD services were largely compensated for by significantly higher profit contributions from Fremantle and Groupe M6. Reported **EBITA margin** came in at 17.0 per cent (H1/2018: 18.0 per cent).

- **Profit for the period** was significantly up, to €443 million (H1/2018: €366 million), benefitting from gains from the disposal of assets.

- **Net cash from operating activities** was up by 56.6 per cent to €354 million (H1/2018: €226 million), resulting in an operating cash conversion rate of 95 per cent (H1/2018: 77 per cent).

- At 30 June 2019, RTL Group had a **net debt position** of €739 million (31 December 2018: net debt of €470 million). On 7 May 2019, RTL Group paid out €461 million for the final dividend for the financial year 2018 (€3.00 per share).

- The Board of Directors of RTL Group approved a **new dividend policy** going forward, targeting a pay-out ratio of at least 80 per cent of the adjusted net profit attributable to RTL Group shareholders, payable after the Annual General Meeting[3].

RTL GROUP CONTINUES TO DELIVER ON ITS TOTAL VIDEO STRATEGY

- At the end of June 2019, RTL Group registered 1.2 million paying subscribers for its VOD platforms in Germany and the Netherlands – up 46.2 per cent year on year.

- Groupe M6 made a major step in strengthening its position in France with the acquisition of France's leading free-to-air digital channel for children, Gulli, and five pay-TV channels from Lagardère. After the approval of the French Audiovisual Regulator in July 2019, the transaction is expected to close on 2 September 2019.

- Fremantle had a very successful first half of 2019 with *America's Got Talent: The Champions* in the US and with UFA's second season of *Charité* in Germany. Fremantle continued its push into scripted drama with the launch of the second season of *American Gods*, which was commissioned for a third season shortly after.

- RTL Group has created Europe's leading digital studio and home for digital content creators with the combination of Divimove and United Screens. Driven by significant investments in content, ad sales and technology, the combined company's revenue is expected to double to more than €100 million by 2022.

- RTL Group launched a new creative unit – Format Creation Group (FC Group) – to develop non-scripted formats exclusively for RTL broadcasters and streaming services.

- RTL Group expanded its position in the high-growth market of podcasts and audio-on-demand with the launches of Audio Alliance and Audio Now in Germany. Groupe M6 launched its native podcasts, RTL Originals, in France. The first five RTL Originals generated more than 2 million downloads since the launch.

2 See note 4. to the Condensed Consolidated Interim Financial Information
3 Adjusted for any material non-cash impacts such as goodwill impairments.

NEW ALLIANCES AND PARTNERSHIPS OPEN SIGNIFICANT GROWTH OPPORTUNITIES ACROSS RTL GROUP'S VALUE CHAIN

- **Content:** Within the newly launched Bertelsmann Content Alliance, RTL Group companies (Mediengruppe RTL Deutschland, UFA and RTL Radio Deutschland) are working on several content cooperation projects including a themed month in September 2019 which will focus on climate change and environmental protection. This project was initiated by Mediengruppe RTL Deutschland and will involve all its channels and platforms.

- **VOD:** Groupe M6 will build the tech platform for the subscription video-on-demand (SVOD) service Salto, backed by Groupe M6, Groupe TF1 and France Télévisions. After the recent approval by the French competition authority, the commercial launch of Salto is planned for the first quarter of 2020.

- **Ad sales:** Media Impact (Axel Springer/Funke) will become a new partner of Ad Alliance (for digital inventory) on 1 January 2020. Ad Alliance is the clear market leader in Germany, reaching 99 per cent of the country's population.

- **Ad sales:** On 1 January 2019, RTL Nederland began selling advertising for Discovery Benelux, Fox Networks Group Benelux and Viacom International Media Networks for a minimum of three years.

- **Ad sales:** IP Belgium will sell advertising for TF1 in the French-speaking part of Belgium from 1 September 2019.

- **Ad-tech:** Mediengruppe RTL Deutschland plans to launch a joint venture, called „d-force", together with ProSiebenSat1, to further develop a demand-side platform with the aim of boosting addressable TV and online video advertising in Germany.

- **Data:** The log-in alliance European *NetID* Foundation, initiated by Mediengruppe RTL Deutschland, ProSiebenSat1 and United Internet – now has around 65 partner websites in Germany.

OUTLOOK

RTL Group updates and confirms its outlook for the full-year 2019:

- RTL Group continues to expect its total **revenue** for the fiscal year 2019 to grow moderately (+2.5 per cent to +5.0 per cent) excluding foreign exchange rate effects.

- RTL Group continues to expect its **EBITA** before restructuring costs to decrease moderately (–2.5 per cent to –5.0 per cent), reflecting higher investments into programming and VOD services.

CORPORATE PROFILE

With interests in 60 television channels, eight video-on-demand (VOD) platforms, 30 radio stations, a global business for content production and distribution, and rapidly growing digital video businesses, RTL Group entertains, informs and engages audiences around the world.

The Luxembourg-based company owns stakes in TV channels and radio stations in Germany, France, Belgium, the Netherlands, Luxembourg, Spain, Hungary and Croatia. With Fremantle, it is one of the world's leading producers of television content: from talent and game shows to scripted drama, daily soaps and telenovelas, including *Idols*, *Got Talent*, *Good Times, Bad Times* and *Family Feud*. Combining the VOD of its broadcasters, the digital video businesses BroadbandTV, Divimove, United Screens and Fremantle's more than 300 YouTube channels, RTL Group has become the leading European media company in digital video. The Group also owns the ad-tech businesses Smartclip and SpotX.

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

RTL Group itself was created in spring 2000, following the merger of Luxembourg-based CLT-UFA and the British content production company Pearson TV, owned by Pearson PLC. CLT-UFA had been created in 1997 when the shareholders of UFA (Bertelsmann) and the historic Compagnie Luxembourgeoise de Télédiffusion – CLT (Audiofina) merged their TV, radio and TV production businesses.

Bertelsmann has been the majority shareholder of RTL Group since July 2001. RTL Group's shares (ISIN: LU0061462528) are publicly traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange and on the Luxembourg stock exchange. Since September 2013, RTL Group has been listed in the prestigious MDAX stock index. RTL Group publishes its consolidated accounts in accordance with IFRS.

FOR MORE INFORMATION, PLEASE SEE THE RTL GROUP ANNUAL REPORT 2018, ON PAGES 48 ff.

STRATEGY

RTL Group's Total Video strategy aims to maximise consumers' attention to its broad variety of video offers, across all devices. RTL Group's strategy is outlined in the RTL Group Annual Report 2018.

RTL Group does not consider its corporate strategy to have changed in a material way since the publication of the Annual Report 2018.

On 28 August 2019, RTL Group announced a strategic review of its ad-tech businesses. With immediate effect, Mediengruppe RTL Deutschland takes over the responsibility for the Group's ad-tech businesses in all European markets (except the UK), bundled under the brand Smartclip. The UK will continue to be the hub that centralises the operations for SpotX Global in Europe. SpotX and Smartclip will continue to work closely to deliver leading technology and monetisation solutions to existing and new European clients. For Smartclip, the objective is to create an open ad-tech development unit, based on the technology developed by Smartclip and custom-tailored for the needs of European broadcasters and streaming services. At the same time, RTL Group has started reviewing strategic partnerships for the SpotX Global business.

Following the decision to shut down the operations of StyleHaul, RTL Group announced in July 2019 that it will combine its digital video business in the Nordics (United Screens) with Divimove, the Group's Berlin-based digital video company. The Group also plans to integrate the Dutch RTL MCN into the combined entity. The combination will make Divimove Europe's leading digital studio and home for digital content creators. RTL Group's Executive Committee also approved a growth plan to significantly expand Divimove's capabilities in the areas of talent management, production of short-form video content, advertising sales and technology/data. Driven by significant investments, the combined company's revenue is expected to double to more than € 100 million by 2022.

With a series of new alliances and partnerships across the Group's value chain, RTL Group opens significant growth opportunities and is actively shaping the future of the European Total Video industry. These alliances and partnerships include a planned joint venture with ProSiebenSat1 to boost addressable TV and online video advertising in Germany ("d-force") and internal cooperations such as the Bertelsmann Content Alliance in Germany and the launch of a new creative unit, FC Group, to develop non-scripted formats exclusively for RTL broadcasters and streaming services (see page 5 for a comprehensive list of alliances and partnerships).

FOR MORE INFORMATION, PLEASE SEE THE RTL GROUP ANNUAL REPORT 2018 ON PAGES 57 TO 59.

FINANCIAL REVIEW

KEY PERFORMANCE INDICATORS (KPIs)

RTL Group uses various KPIs to measure the performance of its businesses, including audience share in main target groups, revenue, revenue growth, EBITDA and EBITA, RTL Group Value Added (RVA) and operating cash conversion. For definitions and more details of these KPIs, see note 4. to the Condensed Consolidated Interim Financial Information as at, and for the six months ended, 30 June 2019.

REVENUE

Based on RTL Group's estimates, the net TV advertising showed a mixed picture in the first half of 2019 – with the Netherlands and Hungary estimated to be slightly up.

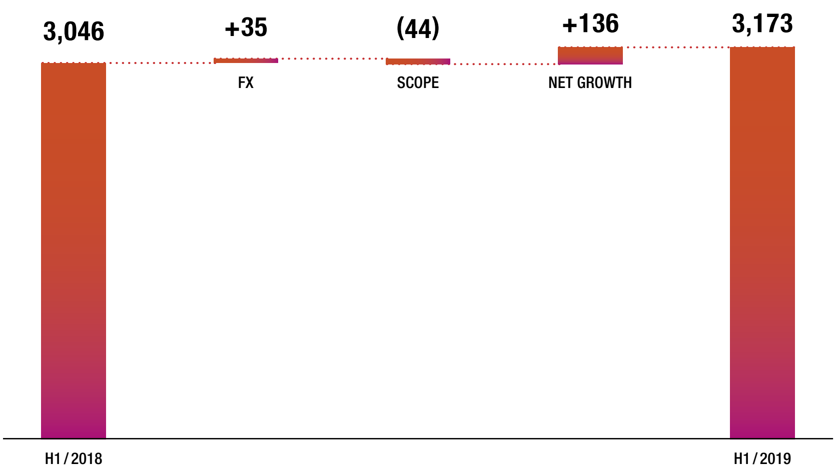
A summary of RTL Group's key markets is shown below, including estimates of net TV advertising market growth rates and the audience share of the main target group.

	H1/2019 net TV advertising market growth rate (in per cent)	H1/2019 RTL Group audience share in main target group (in per cent)	H1/2018 RTL Group audience share in main target group (in per cent)
Germany	(4.0) to (4.5)[4]	28.2[5]	27.6[5]
France	±0.0[6]	21.1[7]	21.1[7]
The Netherlands	+1.7[4]	29.9[8]	31.0[8]
Belgium	(9.7)[4]	35.7[9]	35.3[9]
Hungary	+2.0[4,10]	27.0[11]	27.4[11]
Croatia	(6.2)[4]	26.1[12]	28.6[12]
Spain	(5.6)[13]	28.5[14]	28.6[14]

Group revenue was up 4.2 per cent to €3,173 million (H1/2018: €3,046 million), driven by Fremantle and the digital businesses. On a like-for-like basis (adjusted for portfolio changes and at constant exchange rates), revenue rose 4.6 per cent to €3,124 million (H1/2018: €2,988 million).

RTL GROUP REVENUE BRIDGE IN THE FIRST HALF OF 2019

(in € million)



4 Source: Industry and RTL Group estimates
5 Source: GfK. Target group: 14 to 59, including pay-TV channels
6 Source: Groupe M6 estimate
7 Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels only)
8 Source: SKO. Target group: 25 to 54, 18–24h. Restated for a different audience measurement method, now excluding the screen use coming from devices such as hard disk DVD and video recorders
9 Source: Audimétrie. Target group: shoppers 18 to 54, 17–23h
10 Referring to the commercial market only
11 Source: AGB Hungary. Target group: 18 to 49, prime time (including cable channels)
12 Source: AGB Nielsen Media Research. Target group: 18 to 49, prime time
13 Source: Infoadex
14 Source: TNS Sofres. Target group: 25 to 59

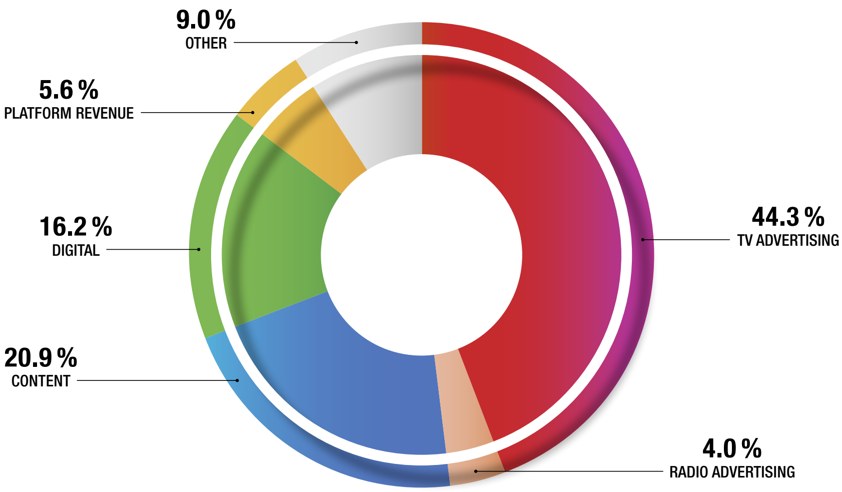
	H1/2019 €m	H1/2018 €m	Per cent change
Total revenue	**3,173**	**3,046**	**+4.2**
Underlying revenue[15]	3,124	2,988	+4.6
Broadcast[16]	2,225	2,269	(1.9)
Content (Fremantle)	828	672	+23.2
Digital (MPNs & SpotX)[17]	220	188	+17.0
Eliminations	(100)	(83)	–

VOD revenue[18], generated by RTL Group's broadcasting operations, was up 27.1 per cent to € 122 million (H1/2018: € 96 million).

RTL Group's revenue is well diversified, with 44.3 per cent from TV advertising, 20.9 per cent from content, 16.2 per cent from digital activities, 5.6 per cent from platform revenue, 4.0 per cent from radio advertising and 9.0 per cent from other revenue.

In contrast to some competitors, RTL Group recognises only pure digital businesses as digital revenue and does not consider e-commerce, home shopping and platform revenue as digital revenue. Revenue from e-commerce and home shopping are included in 'other revenue'.

RTL GROUP REVENUE SPLIT



EBITDA AND EBITA

Reported **EBITDA** was up by 3.8 per cent to € 662 million (H1/2018: € 638 million), driven by the impact of the new IFRS 16 (leases) standard. Reported **EBITDA margin** came in at 20.9 per cent (H1/2018: 20.9 per cent).

Reported Group **EBITA** was broadly stable at € 538 million (H1/2018: € 548 million). Higher investments in programming and VOD services were largely compensated for by significantly higher profit contributions from Fremantle and Groupe M6. Reported **EBITA margin** came in at 17.0 per cent (H1/2018: 18.0 per cent).

Group operating expenses were at € 2,684 million in H1/2019 compared to € 2,542 million in H1/2018.

15 Adjusted for scope changes and at constant exchange rates
16 Combined revenue of Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland, RTL Belgium, RTL Hungary, RTL Croatia, RTL Luxembourg
17 Combined revenue of RTL Group's MPN activities (Broadband TV, Divimove, United Screens and StyleHaul, which is in the process of being wound down) and those of SpotX (ad-tech), excluding the SpotX joint ventures with Mediengruppe RTL Deutschland and RTL Nederland
18 VOD revenue includes SVOD, TVOD, in-page and in-stream revenue

FINANCIAL DEVELOPMENT OVER TIME

	H1/2019 €m	H1/2018 €m	H1/2017 €m	H1/2016 €m	H1/2015 €m
Revenue	**3,173**	3,046	2,978	2,878	2,788
EBITDA	**662**	638	626	679	628
EBITA	**538**	548	533	580	534

FURTHER GROUP FINANCIALS

RTL GROUP VALUE ADDED (RVA)

See note 4. to the Condensed Consolidated Interim Financial Information as at, and for the six months ended, 30 June 2019.

MAIN PORTFOLIO CHANGES

Yospace

On 1 February 2019, SpotX Limited acquired 100 per cent of the share capital of Yospace Enterprises Limited and its fully owned subsidiary, Yospace Technologies Limited ("Yospace"). Yospace is a UK-based video technology company. It has developed solutions for server-side dynamic ad insertion (SSDAI) which enables the replacement of existing commercials with more targeted commercials. This acquisition complements the ad-tech stack of RTL Group. The purchase consideration amounted to € 19 million, net of cash acquired.

Universum Film

On 30 April 2019, following the approval by the German competition authority, Mediengruppe RTL Deutschland has fully disposed of its interests held in Universum Film GmbH ("Universum"), a home entertainment and theatrical distribution company. The sale proceeds of € 91 million has generated a capital gain, net of transaction-related costs, of € 63 million.

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The total contribution of these investments was € 28 million (H1/2018: € 24 million).

INTEREST EXPENSE

Net interest expense amounted to € 15 million (H1/2018: € 7 million) for the six months ended 30 June 2019.

INCOME TAX EXPENSE

In the first half of 2019, the tax expense was € 155 million (H1/2018: € 176 million).

PROFIT ATTRIBUTABLE TO RTL GROUP SHAREHOLDERS

The profit for the period attributable to RTL Group shareholders was € 393 million (H1/2018: € 318 million), an increase of 23.6 per cent.

EARNINGS PER SHARE

Reported earnings per share, based upon 153,540,478 shares, was € 2.56 (H1/2018: € 2.07 per share based upon 153,555,364 shares).

NET DEBT POSITION AND CASH CONVERSION

The consolidated net debt position at 30 June 2019 was € 739 million (31 December 2018: net debt of € 470 million) and in line with expectations after the Group paid a final 2018 dividend of € 461 million (€ 3.00 per share) on 7 May 2019. The EBITA cash conversion ratio was 95 per cent (H1/2018: 77 per cent).

Net debt position	As at 30 June 2019 €m	As at 31 December 2018 €m
Gross balance sheet debt	(1,043)	(894)
Add: cash and cash equivalents and other short-term investments	304	424
Net debt position[19]	**(739)**	**(470)**

19 Of which € 24 million of net cash held by Groupe M6 (as at 31 December 2018: € 79 million)

REVIEW BY SEGMENTS: HALF-YEAR TO JUNE 2019 (H1/2019)

Revenue	Half-year to June 2019[20] €m	Half-year to June 2018[20] €m	Per cent change
Mediengruppe RTL Deutschland	1,079	1,094	(1.4)
Groupe M6	715	739	(3.2)
Fremantle	828	672	+23.2
RTL Nederland	236	241	(2.1)
RTL Belgium	90	95	(5.3)
Other segments	349	311	+12.2
Eliminations	(124)	(106)	–
Total revenue	**3,173**	**3,046**	**+4.2**

EBITA	Half-year to June 2019[20] €m	Half-year to June 2018[20] €m	Per cent change
Mediengruppe RTL Deutschland	330	363	(9.1)
Groupe M6	150	131	+14.5
Fremantle	52	33	+57.6
RTL Nederland	18	23	(21.7)
RTL Belgium	17	18	(5.6)
Other segments	(29)	(20)	–
Reported EBITA	**538**	**548**	**(1.8)**

EBITA margin	Half-year to June 2019[20] per cent	Half-year to June 2018[20] per cent	Percentage point change
Mediengruppe RTL Deutschland	30.6	33.2	(2.6)
Groupe M6	21.0	17.7	+3.3
Fremantle	6.3	4.9	+1.4
RTL Nederland	7.6	9.5	(1.9)
RTL Belgium	18.9	18.9	–
RTL Group	**17.0**	**18.0**	**(1.0)**

20 At 30 June 2019, the management of the German radios report to Mediengruppe RTL Deutschland. The German radios previously included in "Other segments" have been transferred to Mediengruppe RTL Deutschland segment. 2018 segment information has been restated accordingly

MEDIENGRUPPE RTL DEUTSCHLAND

FINANCIAL RESULTS

In the reporting period, the German net TV advertising market was estimated to be down between 4.0 and 4.5 per cent year on year, with Mediengruppe RTL Deutschland outperforming the market. Total revenue of Mediengruppe RTL Deutschland was slightly down to € 1,079 million (H1/2018: € 1,094 million), with its VOD service TV Now and higher platform revenue partly compensating for lower TV advertising revenue. EBITA was down to € 330 million (H1/2018: € 363 million), reflecting higher investments in programming (mainly sports rights such as for the four matches of the German National soccer team aired in the reporting period) and TV Now. The results now include RTL Radio Deutschland, following its transfer from the other segment to Mediengruppe RTL Deutschland.

Half-year to June	2019[21] €m	2018[21] €m	Per cent change
Revenue	**1,079**	1,094	(1.4)
EBITDA	**348**	370	(5.9)
EBITA	**330**	363	(9.1)

AUDIENCE RATINGS

Mediengruppe RTL Deutschland's combined average audience share in the target group of viewers aged 14 to 59 was up to 28.2 per cent (up 0.6 percentage points year on year) in the first six months of 2019 (H1/2018: 27.6 per cent) – mainly due to the good performance of the flagship channel RTL Television. The German RTL family of channels remained ahead, by 3.3 percentage points, of its main commercial competitor, ProSiebenSat.1 (24.9 per cent, H1/2018: lead of 3.5 percentage points).

RTL Television remained the viewers' number one choice in Germany, with an audience share of 11.0 per cent in the target group of viewers aged 14 to 59 (H1/2018: 10.7 per cent). RTL Television increased its half-year audience share in this group of viewers for the first time since 2011. The most watched programme on RTL Television in the first six months of 2019 was the European qualifier game of the German national football team against the Netherlands (24 March 2019). This was watched by 11.84 million viewers – representing a total audience share of 34.1 per cent and 33.0 per cent among viewers aged 14 to 59.

The revamped streaming service **TV Now** attracted a record number of 5.3 million unique users[22] in March 2019 and recorded an increase in paying subscribers of 36.3 per cent compared to 30 June 2018. This was mainly driven by the wide range of programmes including the drama series *M – Eine Stadt sucht einen Mörder*, *The Truth About the Harry Quebert Affair* and original TV Now shows such as the reality format *Temptation Island*.

In the first half of 2019, **Vox** achieved an average audience share of 6.4 per cent in the target group of viewers aged 14 to 59 (H1/2018: 6.3 per cent). In prime time, the successful cooking show *Kitchen Impossible* scored an average audience share of 9.6 per cent in the 14 to 59 target group.

During the first six months of 2019, **Nitro** recorded a strong average audience share of 2.2 per cent (H1/2018: 2.0 per cent) in the target group of viewers aged 14 to 59.

The news channel **N-TV** attracted 1.0 per cent (H1/2018: 1.0 per cent) of total viewers (3+) and viewers aged 14 to 59 in the first half of 2019.

RTL Plus is constantly growing, and attracted an audience share of 1.5 per cent in the first half of 2019 in the target group of viewers aged 14 to 59 (H1/2018: 1.3 per cent).

With an average daytime audience share of 22.2 per cent in its target group of children aged 3 to 13 (H1/2018: 21.3 per cent, 6:00 to 20:15), **Super RTL** achieved the highest half year score since 2013 and continued to be the most popular children's channel in Germany.

During the first half of 2019, **RTL II** attracted 4.2 per cent of viewers aged 14 to 59 (H1/2018: 4.3 per cent).

21 At 30 June 2019, the management of the German radios report to Mediengruppe RTL Deutschland. The German radios previously included in "Other segments" have been transferred to Mediengruppe RTL Deutschland segment. 2018 segment information has been restated accordingly

22 According to the March 2019 edition of the German Association of Online Research's AGOF digital facts

GROUPE M6

FINANCIAL RESULTS

The French net TV advertising market was estimated to be stable compared to the first half of 2018, with Groupe M6 slightly outperforming the market. Groupe M6's total revenue was down to € 715 million (H1/2018: € 739 million), mainly due to the sales of the football club Girondins de Bordeaux (FCGB) in November 2018 and MonAlbumPhoto in July 2018. On a like-for-like basis, the organic revenue growth rate of Groupe M6 was at 3.0 per cent. Reported EBITA in the first half of 2019 was significantly up, by 14.5 per cent to € 150 million (H1/2018: € 131 million), mainly driven by the exit of FCGB and higher contributions from SND with the distribution of international film rights.

The net radio advertising market in France was estimated to be stable compared to the same period in 2018, with Groupe M6's radio family (RTL, RTL 2, Fun Radio) outperforming the market.

Half-year to June	2019 €m	2018 €m	Per cent change
Revenue	715	739	(3.2)
EBITDA	204	182	+12.1
EBITA	150	131	+14.5

AUDIENCE RATINGS

The audience share of the Groupe M6 family of free-to-air channels in the commercial target of women under 50 responsible for purchases, was stable compared to the first half of 2018 with 21.1 per cent. The total audience share was slightly down to 13.2 per cent (H1/2018: 13.4 per cent).

The main channel M6 recorded a slight decrease in audience share to 14.3 per cent among women under 50 responsible for purchases (H1/2018: 14.6 per cent). M6 remained the second most watched channel in France in this target group. The format *Scènes de Mènages* scored the best season in five years with an average audience share of 22.0 per cent in the commercial target of women under 50 responsible for purchases.

W9's audience share reached an average of 4.0 per cent in the target group of women under 50 responsible for purchases (H1/2018: 3.9 per cent). 6ter remained the leader for the commercial target of women under 50 responsible for purchases among the new generation of DTT channels, slightly increasing its audience share to 2.8 per cent (H1/2018: 2.6 per cent).

During the first six months of 2019, Groupe M6's radio family (RTL, RTL 2, Fun Radio) recorded an average audience share of 18.6 per cent (H1/2018: 19.8 per cent). The French RTL radio family was the number one commercial radio group, 4.4 percentage points ahead of the next commercial radio group.

The average audience share of the flagship station RTL Radio was 12.1 per cent (H1/2018: 12.9 per cent), 5.9 percentage points ahead of the next commercial competitor (H1/2018: 6.2 percentage points). RTL Radio attracted an average of 6.1 million listeners a day (H1/2018: 6.5 million listeners a day).

DIGITAL

6play continued to grow significantly, with more than 27 million registered users (H1/2018: 22 million registered users), and now generates close to 107 million long-form video views per month on all screens – up 12.6 per cent year on year (H1/2018: 95 million).

FREMANTLE

FINANCIAL RESULTS

Revenue at RTL Group's content business, Fremantle, increased by 23.2 per cent to € 828 million in the first half of 2019 (H1/2018: € 672 million), mainly driven by the deliveries of the second season of *American Gods* and *America's Got Talent: The Champions* as well as by UFA in Germany. Organic revenue growth of Fremantle was 18.8 per cent. Accordingly, Fremantle's EBITA was significantly up, to € 52 million (H1/2018: € 33 million).

Half-year to June	2019 €m	2018 €m	Per cent change
Revenue	828	672	+23.2
EBITDA	66	42	+57.1
EBITA	52	33	+57.6

NON-SCRIPTED

In the US, *America's Got Talent: The Champions* won an average audience of 12.4 million viewers resulting in a 12.3 per cent total audience share – 50 per cent higher than NBC's prime time average. The 14th season of *America's Got Talent* launched in May 2019, winning an average audience share of 14.4 per cent among viewers aged 18 to 49, performing 56 per cent higher than NBC's prime time average.

American Idol was ABC's number one entertainment show of the 2018/19 season. For the key commercial target of viewers aged 18 to 49 *American Idol* won a 7.0 per cent audience share, performing 25 per cent higher than ABC's prime time average. The third season on ABC has already been commissioned.

SCRIPTED

The second season of *American Gods* was the highest-rated season launch on the US pay-TV channel Starz in over two two years. A massive 816,000 viewers watched the premiere, and the show was consistently the highest-rated broadcast on Starz throughout the season. The third season has already been confirmed.

The second season of the UFA drama production *Charité*, attracted on average 4.97 million total viewers, representing an average total audience share of 15.6 per cent. All six episodes were available for streaming in the ARD Mediathek from 12 February to 18 April 2019 and were streamed 5.2 million times. The second season of *Charité* is the number one streamed TV series in Germany for 2019 to date. Thanks to *Charité*'s success, UFA and ARD have already confirmed the third season of the historical hospital series.

INTERNATIONAL

Fremantle sold the remastered version of *Baywatch* to over 110 territories worldwide, among others to Amazon Prime Video (US, Australia, Canada, the UK and Eire), Hulu (US), Bell Media (Canada), Viacom (Italy), RTL Television and NBC Universal (German-speaking Europe).

DIGITAL

Fremantle content registered 371 million fans across YouTube, Facebook, Twitter and Instagram (H1/2018: 309 million). In the first six months of 2019, Fremantle content had a total of 13.1 billion views (H1/2018: 14.6 billion) and 112 million subscribers across 315 channels on YouTube (H1/2018: 69 million subscribers across 280 channels).

RTL NEDERLAND

FINANCIAL RESULTS

The Dutch net TV advertising market was estimated to be up, by 1.7 per cent, in the first half of 2019. RTL Nederland's revenue decreased by 2.1 per cent to € 236 million (H1/2018: € 241 million), mainly due to lower TV advertising revenue partly compensated by higher revenue from Videoland and growing platform revenue. This resulted in a lower EBITA of € 18 million (H1/2018: € 23 million).

Half-year to June	2019 €m	2018 €m	Per cent change
Revenue	236	241	(2.1)
EBITDA	29	32	(9.4)
EBITA	18	23	(21.7)

AUDIENCE RATINGS

RTL Nederland's channels combined prime-time audience share in the target group of viewers aged 25 to 54 was down to 29.9 per cent in the first half of 2019 (H1/2018: 31.0 per cent), ahead of the public broadcasters (28.9 per cent) and the Talpa TV group (22.8 per cent).

RTL Nederland's flagship channel, **RTL 4**, registered an average audience share of 17.6 per cent in the target group of shoppers aged 25 to 54 (H1/2018: 18.4 per cent). Popular programmes included *The Voice Of Holland*, *The Voice Kids,* the daily drama *Goede Tijden, Slechte Tijden*, the drama series *Judas* and the new season of *Soof: Een Nieuw Begin*.

DIGITAL

RTL Nederland's video-on-demand service, **Videoland**, recorded paid subscriber growth of 58.2 per cent compared to 30 June 2018. Videoland's high growth was largely driven by the reality format *Temptation Island*, the Dutch original series *Judas*, and the Emmy-winning US drama series *The Handmaid's Tale*, all of which are exclusive to Videoland in the Netherlands.

RTL BELGIUM

FINANCIAL RESULTS

In the first half of 2019, the net TV advertising market in French-speaking Belgium was estimated to be down 9.7 per cent. Accordingly, RTL Belgium's revenue was down to € 90 million (H1/2018: € 95 million). EBITA decreased to € 17 million (H1/2018: € 18 million), reflecting lower TV and radio advertising revenue.

Half-year to June	2019 €m	2018 €m	Per cent change
Revenue	90	95	(5.3)
EBITDA	21	20	+5.0
EBITA	17	18	(5.6)

AUDIENCE RATINGS

In the first half of 2019, the combined prime-time audience share of **RTL Belgium**'s family of TV channels in the target group (shoppers aged 18 to 54) increased to 35.7 per cent (H1/2018: 35.3 per cent). RTL Belgium also increased its lead over the public channels, reaching 16.9 percentage points (H1/2018: 14.0 percentage points).

The market-leading channel in French-speaking Belgium, **RTL-TVI**, achieved an average prime-time audience share of 26.5 per cent in the target group (H1/2018: 26.2 per cent) – 12.8 percentage points ahead of the second highest-rated channel, La Une (H1/2018: 12.9 percentage points), and 15.3 percentage points ahead of the French broadcaster TF1 (H1/2018: 13.2 percentage points). Successful formats included *Face au Juge*, with an average audience share of 45.7 per cent, and *Appels d'Urgence* with an average audience share of 45.4 per cent in the target group of shoppers aged between 18 and 54.

According to the most recent CIM audience survey, covering January to April 2019, the **Belgian radio family** has a combined audience share of 25.0 per cent (January to April 2018: 27.4 per cent).

DIGITAL

In the first half of 2019, RTL Belgium's video-on-demand platform, **RTL Play**, registered an average of 205,000 users per month, and 7.2 million video views.

OTHER SEGMENTS

This segment mainly comprises RTL Group's digital assets – both its global ad-tech company SpotX, and its digital video networks: BroadbandTV, Divimove, United Screens and StyleHaul. It also includes the fully consolidated businesses RTL Hungary, RTL Croatia, RTL Group's Luxembourgish activities, and its investment accounted for using the equity method, Atresmedia in Spain.

DIGITAL VIDEO NETWORKS

In the first half of 2019, the combined revenue of RTL Group's digital video networks – including BroadbandTV, Divimove, United Screens and StyleHaul – was up by 9.3 per cent to € 153 million compared to € 140 million in the first half of 2018. The increase was mainly driven by BroadbandTV and affected negatively by StyleHaul, which is in the process of being wound down.

BroadbandTV registered a total of 225[23] billion video views – up 12.5 per cent from the first half of 2018 (H1/2018: 200 billion video views) – while revenue increased 28.1 per cent year on year (in Canadian dollars: up 25.5 per cent).

In the first half of 2019, Europe's leading digital video company, **Divimove**, successfully integrated the digital studio UFA X within its business. Divimove attracted a total of 13.2 billion video views (H1/2018: 11.5 billion). The company registered 400 million subscribers – up 33.3 per cent on the same period in the previous year – across its 900 social influencers in Germany, Spain, the Netherlands, Italy, Poland and France, based on successful influencer management and acquisitions of top influencers in its core markets (H1/2018: 300 million subscribers across 900 social influencers). Divimove's revenue was up 15.4 per cent for the first six months of 2019.

United Screens is the leading digital video network in the Nordics. In the first half of 2019, the Norwegian office of United Screens was closed, with the Norwegian business now being managed from Sweden, the company's core market. To bundle the strengths of RTL Group's digital video businesses, United Screens will be combined with Divimove to create Europe's leading digital studio and home for digital content creators. In H1/2019, United Screens registered 4.2 billion video views – up 13.5 per cent on the same period in the previous year. United Screens' revenue was stable year on year.

StyleHaul, which is currently in the process of being wound down, registered a decrease in revenue of 40.6 per cent for the first six months of 2019.

AD-TECH

RTL Group's ad-tech businesses include SpotX, Smartclip and Yospace. Furthermore, RTL Group has two additional minority investments, in Clypd and Videoamp. The revenue of these minority shareholdings is not consolidated. RTL Group's ad-tech revenue[24] was up by 39.6 per cent to € 67 million compared to € 48 million in the first half of 2018.

In the first half of 2019, **SpotX** continued to build solutions to help monetise video content across all screens and devices. The United States remained SpotX's primary market, with over 75 per cent of revenue now coming from major media owners and platforms including Discovery, Roku, Sling TV, and Vudu – a Walmart company. Over-the-top (OTT) was one of the main growth drivers in the United States, with gross spend increasing by 142 per cent year on year. Additionally, SpotX completed its integration of **Yospace** – the global leader in server-side dynamic ad insertion (SSDAI) for live OTT streaming – which was acquired in February 2019.

23 Including views from external partners

24 Excluding the SpotX/Smartclip joint ventures in Germany and the Netherlands which are fully consolidated in the segments Mediengruppe RTL Deutschland and RTL Nederland

In the first half of 2019, the Hungarian commercial net TV advertising market was estimated to be up by 2.0 per cent. **RTL Hungary**'s revenue was up by 5.9 per cent to € 54 million (H1/2018: € 51 million). Accordingly, the unit's EBITA increased to € 7 million (H1/2018: € 5 million).

With a combined average prime-time audience share of 27.0 per cent among viewers aged 18 to 49 (H1/2018: 27.4 per cent), the gap between the Hungarian RTL family of channels and its competitor TV2 Group was 2.1 percentage points (H1/2018: 4.3 percentage points). Flagship channel **RTL Klub** attracted an average 13.8 per cent of viewers aged 18 to 49 in prime time (H1/2018: 13.0 per cent), 2.5 percentage points ahead of its closest commercial competitor TV2 with 11.3 per cent (H1/2018: 10.4 per cent).

The video-on-demand platform **RTL Most** is the leading local brand for professionally produced online video content and registered an increase of 41 per cent of registered users in the first half of 2019 compared to H1/2018. The service registered 52.7 million video views in the reporting period across all platforms (H1/2018: 16.5 million video views).

In Croatia, the net TV advertising market was estimated to be down 6.2 per cent. **RTL Croatia** performed better than the market. Total revenue was stable at € 21 million (H1/2018: € 21 million). EBITA was down to minus € 2 million (H1/2018: minus € 1 million).

RTL Croatia's channels achieved a combined prime-time audience share of 26.1 per cent in the target audience 18 to 49 (H1/2018: 28.6 per cent). The flagship channel **RTL Televizija** recorded a prime-time audience share of 17.4 per cent (H1/2018: 19.0 per cent).

RTL Croatia's video-on-demand platform **RTL Play** – the largest VOD platform in Croatia – registered 5.7 million video views, up 90 per cent year on year (H1/2018: 3.0 million video views).

Atresmedia in Spain: The Spanish net TV advertising market was estimated to be down year on year by 5.6 per cent. Atresmedia's total revenue was down to € 540 million (H1/2018: € 551 million), while first-half operating profit (EBIT) was up to € 94 million (H1/2018: € 92 million), mainly driven by lower programme cost. The company's net profit for the reporting period was € 70 million. The profit share of RTL Group was stable at € 13 million.

In the first half of 2019, Atresmedia's family of channels recorded an audience share of 28.5 per cent in the target group of viewers aged 25 to 59 (H1/2018: 28.6 per cent). Flagship channel **Antena 3** achieved an audience share of 12.0 per cent in the target group of viewers aged 25 to 59 (H1/2018: 12.0 per cent), while Atresmedia's second largest channel, **La Sexta**, scored an audience share of 7.7 per cent in the new target audience (H1/2018: 7.5 per cent).

PRINCIPAL RISKS AND UNCERTAINTIES

RTL Group derives a significant part of its revenue from advertising. Advertising markets are highly exposed to general economic conditions and consumer confidence.

Other drivers include audience share, advertising market share and the overall level of programme investments. Should any of these drivers change substantially compared to the Group's position as at 30 June 2019 then the Group would be affected – either positively or negatively – in the second half of the year.

The Group's content business, Fremantle, is subject to pricing pressure from its clients and is facing reduced production and distribution volumes for some of its programme genres. Should the business not develop new formats, or should it miss new programming trends, its results would be affected negatively.

Fremantle also derives a substantial proportion of its revenue in foreign currency, notably the US dollar. Should there be unexpected movements in exchange rates, either up or down, then reported revenue and results would also be impacted either positively or negatively.

The Group continues to monitor its costs closely, but cannot rule out increased programme investment, should the competitive landscape require it, which would have a negative short-term impact on earnings.

RTL Group's Annual Report 2018 sets out the most significant risk factors and litigations relating to the company's operations at the time it was released. RTL Group does not consider these principal risks and uncertainties to have changed in a material way.

Additional risks and uncertainties not currently known to the Group, or that the Group does not currently deem material, may also have an adverse effect on its business.

MAJOR RELATED PARTY TRANSACTIONS

The major related party transactions can be found in note 17. to the condensed consolidated interim financial information.

SUBSEQUENT EVENTS

See note 18. to the condensed consolidated interim financial information.

OUTLOOK

RTL Group updates and confirms its outlook for the full-year 2019:

REVENUE

Given the current economic climate RTL Group expects 2019 to be another challenging year for TV advertising. Accordingly, RTL Group expects an overall stable, to slightly negative, growth for the Group's TV businesses.

Fremantle, the Group's content division, continues to benefit from the drama pipeline which contains a number of new and second season commissions.

Accordingly, RTL Group expects Fremantle's organic revenue to grow between 10 and 12 per cent on a constant currency basis (previously: organic revenue growth of 4 to 7 per cent) and its EBITA to increase.

The Group's digital revenue is expected to grow by around 10 per cent in 2019.

In summary, RTL Group expects its total revenue for the fiscal year 2019 to grow moderately (+2.5 per cent to +5.0 per cent) excluding foreign exchange rate effects, driven by the Group's digital businesses and Fremantle.

EBITA

The Group's profitability, as measured in EBITA, will be impacted by investments in programming, VOD services and restructuring costs. For example, Mediengruppe RTL Deutschland will air ten football matches of the German national team this year – eight qualifying games and two friendlies (2018: total of two matches). Fremantle's EBITA is expected to increase in 2019, on the back of the drama successes and lower development costs.

Overall RTL Group currently expects the Group's EBITA for 2019, before restructuring costs, to be moderately down, i.e. to be within a range of € 1.11 billion and € 1.14 billion compared to 2018.

Outlook RTL Group	2018 €m	2019e €m	Outlook	Change %
Revenue	6,505	6,668 to 6,830	Moderately up (excluding FX effects)	+2.5 to +5.0
EBITA	1,171	1,112 to 1,142	Moderately down (before restructuring costs)	–2.5 to –5.0

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE

	Notes	2019 €m	2018 €m
Revenue	8.	3,173	3,046
Other operating income		21	19
Consumption of current programme rights		(1,073)	(975)
Depreciation, amortisation, impairment and valuation allowance		(125)	(92)
Net impairment losses on financial assets		–	(5)
Other operating expenses		(1,486)	(1,470)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(10)	(7)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	7. 11.	70	8
Profit from operating activities		**570**	524
Share of results of investments accounted for using the equity method		28	24
Earnings before interest and taxes ("EBIT")	4.	**598**	548
Interest income		2	6
Interest expense	17. 1.	(17)	(13)
Financial results other than interest	9.	15	1
Profit before taxes		**598**	542
Income tax expense		(155)	(176)
Profit for the period		**443**	366
Attributable to:			
RTL Group shareholders		393	318
Non-controlling interests		50	48
Profit for the period		**443**	366
EBITA	4.	**538**	548
Impairment of investments accounted for using the equity method		–	(2)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(10)	(7)
Re-measurement of earn-out arrangements		–	1
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	7. 11.	70	8
Earnings before interest and taxes ("EBIT")	4.	**598**	548
EBITDA	4.	**662**	638
Depreciation, amortisation and impairment		(134)	(97)
Impairment of investments accounted for using the equity method		–	(2)
Re-measurement of earn-out arrangements		–	1
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	7. 11.	70	8
Earnings before interest and taxes ("EBIT")	4.	**598**	548
Earnings per share (in €)			
– Basic		2.56	2.07
– Diluted		2.56	2.07

The accompanying notes form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE

	Notes	2019 €m	2018 €m
Profit for the period		**443**	366
Other comprehensive income ("OCI"):			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations		**(19)**	2
Income tax		**3**	(1)
		(16)	1
Equity investments at fair value through OCI – change in fair value		**–**	–
Income tax		**–**	1
		–	1
		(16)	2
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**3**	1
Effective portion of changes in fair value of cash flow hedges	15. 2.	**4**	19
Income tax		**(1)**	(7)
		3	12
Recycling of cash flow hedge reserve	15. 2.	**(2)**	3
Income tax		**1**	(1)
		(1)	2
		5	15
Other comprehensive income / (loss) for the period, net of income tax		**(11)**	17
Total comprehensive income for the period		**432**	383
Attributable to:			
RTL Group shareholders		**384**	335
Non-controlling interests		**48**	48
Total comprehensive income for the period		**432**	383

The accompanying notes form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2019 €m	31 December 2018 €m
Non-current assets			
Programme and other rights		88	91
Goodwill		2,910	2,919
Other intangible assets		204	213
Property, plant and equipment		317	332
Right-of-use assets	2.	363	–
Investments accounted for using the equity method	11.	400	395
Loans and other financial assets		147	133
Deferred tax assets		330	333
		4,759	4,416
Current assets			
Programme rights		1,234	1,236
Other inventories		13	11
Income tax receivable		40	24
Accounts receivable and other financial assets	17. 1.	1,901	2,133
Cash and cash equivalents		299	422
		3,487	3,826
Assets classified as held for sale	12.	87	82
Current liabilities			
Loans and bank overdrafts		484	333
Lease liabilities	2.	58	–
Income tax payable		25	40
Accounts payable	17. 1.	2,314	2,626
Contract liabilities		317	295
Provisions		102	126
		3,300	3,420
Liabilities directly associated with non-current assets classified as held for sale	12.	25	63
Net current assets		249	425
Non-current liabilities			
Loans	17. 1.	559	561
Lease liabilities	2.	359	–
Accounts payable		398	462
Contract liabilities		5	7
Provisions		252	229
Deferred tax liabilities		24	29
		1,597	1,288
Net assets		3,411	3,553
Equity attributable to RTL Group shareholders		2,931	3,047
Equity attributable to non-controlling interests		480	506
Equity		3,411	3,553

The accompanying notes form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE PERIODS TO 30 JUNE

	Notes	Share capital €m	Treasury shares €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Reserves and retained earnings €m	Equity attributable to RTL Group shareholders €m	Equity attributable to non-controlling interests €m	**Total equity €m**
Balance at 1 January 2018		192	(47)	(145)	(20)	69	2,908	2,957	467	**3,424**
Total comprehensive income:										
Profit for the period		–	–	–	–	–	318	318	48	**366**
Re-measurement of post-employment benefit obligations, net of tax		–	–	–	–	–	1	1	–	**1**
Equity investments at fair value through OCI – change in fair value, net of tax		–	–	–	–	(2)	3	1	–	**1**
Foreign currency translation differences		–	–	1	–	–	–	1	–	**1**
Effective portion of changes in fair value of cash flow hedges, net of tax	15.2.	–	–	–	12	–	–	12	–	**12**
Recycling of cash flow hedge reserve, net of tax		–	–	–	2	–	–	2	–	**2**
		–	–	1	14	(2)	322	335	48	**383**
Capital transactions with owners:										
Dividends		–	–	–	–	–	(460)	(460)	(67)	**(527)**
Equity-settled transactions, net of tax		–	–	–	–	–	3	3	2	**5**
		–	–	–	–	–	(457)	(457)	(65)	**(522)**
Balance at 30 June 2018		192	(47)	(144)	(6)	67	2,773	2,835	450	**3,285**
Balance at 1 January 2019		192	(44)	(135)	3	68	2,963	3,047	506	**3,553**
Adjustment on initial application of IFRS 16, net of tax	2.	–	–	–	–	–	(33)	(33)	(1)	**(34)**
Adjusted balance at 1 January 2019		192	(44)	(135)	3	68	2,930	3,014	505	**3,519**
Total comprehensive income:										
Profit for the period		–	–	–	–	–	393	393	50	**443**
Re-measurement of post-employment benefit obligations, net of tax		–	–	–	–	–	(14)	(14)	(2)	**(16)**
Foreign currency translation differences		–	–	3	–	–	–	3	–	**3**
Effective portion of changes in fair value of cash flow hedges, net of tax	15.2.	–	–	–	3	–	–	3	–	**3**
Recycling of cash flow hedge reserve, net of tax		–	–	–	(1)	–	–	(1)	–	**(1)**
		–	–	3	2	–	379	384	48	**432**
Capital transactions with owners:										
Dividends	15.3.	–	–	–	–	–	(461)	(461)	(70)	**(531)**
Equity-settled transactions, net of tax		–	–	–	–	–	2	2	2	**4**
(Acquisition)/disposal of treasury shares	15.1.	–	3	–	–	–	–	3	–	**3**
Transactions on non-controlling interests without a change in control	16.	–	–	–	–	–	(11)	(11)	(5)	**(16)**
		–	3	–	–	–	(470)	(467)	(73)	**(540)**
Balance at 30 June 2019		192	(41)	(132)	5	68	2,839	2,931	480	**3,411**

The accompanying notes form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE

	Notes	2019 €m	2018 €m
Cash flows from operating activities			
Profit before taxes		598	542
Adjustments for:			
– Depreciation and amortisation		129	98
– Value adjustments and impairment		2	21
– Share-based payments expenses		4	5
– Re-measurement of earn-out arrangements		–	(1)
– Gain on disposal of assets		(71)	(9)
– Financial results including net interest expense and share of results of investments accounted for using the equity method		24	24
Change of provisions		(15)	(8)
Working capital changes		(62)	(166)
Income taxes paid		(255)	(280)
Net cash from operating activities		**354**	**226**
Cash flows from investing activities			
Acquisitions of:			
– Programme and other rights		(51)	(56)
– Subsidiaries, net of cash acquired	7.	(20)	(11)
– Other intangible and tangible assets		(46)	(50)
– Other investments and financial assets	11.	(16)	(12)
		(133)	(129)
Proceeds from the sale of intangible and tangible assets		1	20
Disposal of other subsidiaries, net of cash disposed of	7.	103	1
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets	11.	11	23
Interest received		2	5
		117	49
Net cash used in investing activities		**(16)**	**(80)**
Cash flows from financing activities			
Interest paid		(19)	(15)
Transactions on non-controlling interests	16.	(30)	(1)
(Acquisition)/disposal of treasury shares		2	–
Term loan facility due to shareholder	17. 1.	153	352
Proceeds from loans		26	53
Repayment of loans	17. 2.	(54)	(37)
Dividends paid		(531)	(527)
Net cash used in financing activities		**(453)**	**(175)**
Net decrease in cash and cash equivalents		**(115)**	**(29)**
Cash and cash equivalents and bank overdrafts at beginning of period		**422**	**258**
Effect of exchange rate fluctuation on cash held		1	(2)
Effect of cash in disposal group held for sale		(12)	(1)
Cash and cash equivalents and bank overdrafts at end of period		**296**	**226**

The accompanying notes form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. REPORTING ENTITY AND STATEMENT OF COMPLIANCE

RTL Group SA (the "Company"), the parent company, is domiciled and incorporated in Luxembourg. This condensed consolidated interim financial information is presented in accordance with the requirements of IAS 34 "Interim Financial Reporting" as adopted by the European Union.

RTL Group ("the Group") forecasts and projections – taking account of reasonably possible changes in trading performance – show that the Group will be able to operate within the level of its current facilities. Management have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore RTL Group continues to adopt the going concern basis in preparing its condensed consolidated interim financial information.

The interim report does not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the consolidated annual financial statements for the year ended 2018.

This condensed consolidated interim financial information was approved on 27 August 2019 by the Board of Directors of RTL Group.

2. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES

The accounting policies applied to the condensed consolidated interim financial information as of and for the period ended 30 June 2019 are the same as those of the previous financial year, except for the adoption of new standards, amendments to existing standards and interpretations that can be found in the consolidated annual financial statements for the year ended 2018.

2. 1. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

- IFRS 16, "Leases" – effective from 1 January 2019. The financial effect of the IFRS 16 adoption on the condensed consolidated interim financial information are presented in note 2. 2.;
- IFRIC 23, "Uncertainty over Income Tax Treatments" clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities – effective from 1 January 2019;
- Annual improvements 2015-2017, cycle amendments to four standards: IFRS 3, "Business Combinations", IFRS 11, "Joint Arrangements", IAS 12 "Income Taxes" and IAS 23, "Borrowing Costs" – effective from 1 January 2019;
- Amendments to IAS 19, "Employee Benefits", Plan Amendment, Curtailment or Settlement – effective from 1 January 2019;
- Amendments to IAS 28, "Investments in Associates and Joint Ventures", Long-Term Interests in Associates and Joint Ventures – effective from 1 January 2019.

2. 2. IMPACT OF IFRS 16 ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

RTL Group has initially applied IFRS 16 "Leases" at 1 January 2019. Under the transition methods chosen, comparative information has not been restated. Related changes in accounting policies are described below in note 2. 4.

This note explains the impact of the adoption of IFRS 16 on the Group's condensed consolidated interim financial information and also discloses the new accounting policies that have been applied from 1 January 2019, where they are different from those applied in prior periods.

The following table shows the restatements on the opening balance as of 1 January 2019 following the initial application of IFRS 16 for each individual line item. The adjustments are explained in more detail in note 2. 4.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	31 December 2018 as originally presented €m	IFRS 16	1 January 2019 restated €m
Non-current assets			
Programme and other rights	91	–	91
Goodwill	2,919	–	2,919
Other intangible assets	213	–	213
Property, plant and equipment	332	–	332
Right-of-use assets	–	377	377
Investments accounted for using the equity method	395	–	395
Loans and other financial assets	133	–	133
Deferred tax assets	333	12	345
	4,416	389	4,805
Current assets			
Programme rights	1,236	–	1,236
Other inventories	11	–	11
Income tax receivable	24		24
Accounts receivable and other financial assets	2,133	(2)	2,131
Cash and cash equivalents	422	–	422
	3,826	(2)	3,824
Assets classified as held for sale	82	–	82
Current liabilities			
Loans and bank overdrafts	333	–	333
Lease liabilities	–	57	57
Income tax payable	40	–	40
Accounts payable	2,626	(7)	2,619
Contract liabilities	295	–	295
Provisions	126	–	126
	3,420	50	3,470
Liabilities directly associated with non-current assets classified as held for sale	63	–	63
Net current assets	425	(52)	373
Non-current liabilities			
Loans	561	–	561
Lease liabilities	–	371	371
Accounts payable	462	–	462
Contract liabilities	7	–	7
Provisions	229	–	229
Deferred tax liabilities	29	–	29
	1,288	371	1,659
Net assets	3,553	(34)	3,519
Equity attributable to RTL Group shareholders	3,047	(33)	3,014
Equity attributable to non-controlling interests	506	(1)	505
Equity	3,553	(34)	3,519

2. 3. IFRS 16 "LEASES" – IMPACT OF ADOPTION

2. 3. 1. ADJUSTMENT RECOGNISED ON ADOPTION OF IFRS 16

GENERAL ASSUMPTIONS

The Group has adopted IFRS 16 retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

PRACTICAL EXPEDIENTS

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

2. 3. 2. IMPACT OF ADOPTION OF IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rates as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 2.2 per cent.

The table below presents a reconciliation between operating lease commitments applying IAS 17 as of 31 December 2018 and the lease liabilities recognised in the statement of financial position at the date of initial application.

	€m
Operating lease commitments as at 31 December 2018 as disclosed in the Group's 2018 consolidated financial statement	**334**
Lease obligations for leases commited but not yet commenced	**(13)**
Recognition exemption for short-term leases	**(5)**
Recognition exemption for leases of low-value assets	**–**
Extension and termination options reasonably certain to be exercised	**165**
Non-lease components (only applicable to buildings)	**(2)**
Variable lease payments based on an index or a rate	**–**
Other	**(2)**
Operating lease obligations as at 1 January 2019	**477**
Operating lease obligations discounted using the incremental borrowing rate	**428**
Finance lease liabilities recognised as at 31 December 2018	**–**
Lease liabilities recognised at 1 January 2019	**428**
Of which are:	
Current lease liabilities	**57**
Non-current lease liabilities	**371**

The associated right-of-use assets for significant real estate leases were measured on a retrospective basis as if IFRS 16 had been applied since the commencement date of the leases. In all other cases, the right-of-use asset corresponds to the amount of the lease liability on the date of the first-time application, adjusted by any prepaid or accrued lease payments. There were no onerous lease contracts that would have required an adjusment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	30 June 2019 €m	1 January 2019 €m
Land and equivalent real estate rights and buildings	**352**	367
Technical equipment and machinery	**2**	3
Other equipment, fixtures, furnitures and office equipment	**9**	7
Total right-of-use assets	**363**	377

The net impact on retained earnings on 1 January 2019 amounts to € (34) million.

2. 4. IFRS 16 "LEASES" – ACCOUNTING POLICIES APPLIED FROM 1 JANUARY 2019

The Group mainly leases premises for operating businesses.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interests on the remaining balance of the liability for each period.

RIGHT-OF-USE ASSETS

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of the lease liabilities recognised, initial direct costs incurred, restoration costs, and lease payments made at or before the commencement date less any incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are subject to impairment.

LEASE LIABILITIES

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option that is reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS FOR ALL CLASSES OF ASSETS

The Group applies the short-term lease recognition exemption to its leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised on a straight-line basis over the lease term.

SIGNIFICANT JUDGEMENT IN DETERMINING THE LEASE TERM OF CONTRACTS WITH EXTENSION AND TERMINATION OPTIONS

Extension and termination options are included in a number of real estate leases across the Group. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option. The Group considers all relevant factors that create an economic incentive for the Group to exercise the option. After the commencement date, the Group re-assesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not the option.

Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

Potential future cash outflows of € 170 million have not been included in the lease liability because it is not reasonably certain that at the reporting date the leases will be extended or terminated.

Incremental borrowing rates determined by currency and maturity are updated on a yearly basis unless a triggering event occurs.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2018.

In addition to other short-term bonus schemes, RTL Group has implemented for its senior management a long-term incentive plan ("LTIP") which runs for the term 2017 to 2019. Management have reversed an amount of € 2 million during the period (June 2018: accrual of € 7 million) on the basis of the achievement of performance targets. The liability related to the LTIP 2017-2019 is € 39 million at 30 June 2019 (December 2018: € 41 million).

4. KEY PERFORMANCE INDICATORS

RTL Group reports different alternative performance measures not defined by IFRS that management believe are relevant for measuring the performance of the operations, the financial position and cash flows and in decision-making. These key performance indicators (KPIs) also provide additional information for users of the financial statements regarding the management of the Group on a consistent basis over time and regularity of reporting.

RTL Group's KPIs may not be comparable to similarly titled measures reported by other groups due to differences in the way these measures are calculated.

EBIT, EBITA AND EBITDA

EBIT, EBITA and EBITDA are indicators of the operating profitability of the Group. These alternative performance measures are presented on page 20 of the condensed consolidated interim financial information.

EBITA represents earnings before interest and taxes (EBIT) excluding some elements of the income statement:

- "Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries";
- Impairment of investments accounted for using the equity method reported in "Share of result of investments accounted for using the equity method";
- Re-measurement of earn-out arrangements presented in "Other operating income" and "Other operating expense";
- "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

EBITA is a component of the RTL Group Value Added (RVA, see next pages) and presents the advantage to consistently include the consumption, depreciation and impairment losses on programmes and other rights for all businesses that RTL Group operates regardless of their classification on the consolidated statement of financial position (current or non-current).

EBITDA represents earnings before interest and taxes (EBIT) excluding some elements of the income statement:

- "Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries";
- Amortisation and impairment of non-current programme and other rights, of other intangible assets, depreciation and impairment of property, plant and equipment, (with the exception to the part concerning goodwill and fair value adjustments (see above)) and, since 1 January 2019, depreciation and impairment of right-of-use assets reported in "Depreciation, amortisation, impairment and valuation allowance";
- Impairment of investments accounted for using the equity method included in the "Share of result of investments accounted for using the equity method";
- Re-measurement of earn-out arrangements reported in "Other operating income" and "Other operating expense";
- "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

EBITDA is largely used by the financial community, especially by the rating agencies when calculating the "net debt to EBITDA ratio".

OCC

Operating cash conversion ratio (OCC) means operating free cash flow divided by EBITA, operating free cash flow being net cash from operating activities adjusted as follows:

	June 2019 €m	June 2018 €m
Net cash from operating activities	**354**	226
Adjusted by:		
– Income tax paid	**255**	280
Acquisitions of:		
– Programme and other rights	**(51)**	(56)
– Other intangible and tangible assets	**(46)**	(50)
Proceeds from the sale of intangible and tangible assets	**1**	20
Operating free cash flow	**513**	420
EBITA	**538**	548
Operating cash conversion ratio	**95 %**	77 %

The operating cash conversion ratio reflects the level of operating profits converted into cash available for investors after incorporation of the minimum investments required to sustain the current profitability of the business and before reimbursement of funded debts (interest included) and payment of income taxes. The operating cash conversion of RTL Group's operations is subject to seasonality and may decrease at the time the Group significantly increases its investments in operations with longer operating cycles. RTL Group historically had, and expects in the future to have, a strong OCC due to a high focus on working capital and capital expenditure throughout the operations.

NET DEBT TO EBITDA RATIO

The net debt to EBITDA ratio is a proxy debt to profitability ratio typically used by the financial community to measure the ability of an entity to pay off its incurred debt from the cash generated by the operations.

The net debt is the gross balance sheet financial debt adjusted for:

- "Cash and cash equivalents";
- Investments held to (collect and) sell presented in "Accounts receivable and other financial assets";
- Current deposit with shareholder reported in "Accounts receivable and other financial assets".

	June 2019 €m	December 2018 €m
Current loans and bank overdrafts	**(484)**	(333)
Non-current loans	**(559)**	(561)
	(1,043)	(894)
Deduction of:		
Cash and cash equivalents	**299**	422
Current deposit with shareholder	**5**	2
Net debt	**(739)**	(470)

The net debt excludes current and non-current lease liabilities (€ 417 million at 30 June 2019).

RVA

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 expected return on invested capital. This form of value orientation is reflected in strategic investment and portfolio planning – including the management of Group operations – and is the basis for senior management variable compensation.

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.

The NOPAT corresponds to the sum of (i) EBITA of fully consolidated entities and share of result of investments accounted for using the equity method not already taxed adjusted for a uniform tax rate of 33 per cent, and (ii) share of result of investments accounted for using the equity method already taxed.

Before 1 January 2019, the cost of capital is the product of the weighted average cost of capital (a uniform 8 per cent after tax) and the average invested capital (operating assets less non-interest bearing operating liabilities). 66 per cent of the present value of operating leases and of satellite transponder service agreements (both net of related commitments received from investments accounted for using the equity method) is also taken into account when calculating the average invested capital.

From 1 January 2019 onwards, the cost of capital is the product of the weighted average cost of capital (a uniform 8 per cent after tax) and the quarterly average invested capital (operating assets, right-of-use assets included less non-interest bearing operating liabilities, lease liabilities excluded, as reported in note 6.).

	June 2019 €m	June 2018 €m
EBITA	**538**	548
Deduction of shares of results of investments accounted for using the equity method and already taxed	**(14)**	(14)
	524	534
Net basis after deduction of uniform tax rate	**351**	357
Shares of results of investments accounted for using the equity method and already taxed	**14**	14
NOPAT (A)	**365**	371
Invested capital at beginning of year	**NA**	4,123
Invested capital at 31 March 2019	**4,405**	NA
Invested capital at end of the period	**4,488**	4,257
66 per cent of the net present value of operating leases and satellite transponder service agreements at beginning of year	**NA**	302
66 per cent of the net present value of operating leases and satellite transponder service agreements at end of the period	**NA**	286
Average invested capital	**4,447**	4,484
Cost of capital (B)	**178**	179
RVA (A) – (B)	**187**	192

5. FINANCIAL RISK MANAGEMENT

5. 1. FINANCIAL RISKS FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency, interest rate, inflation and equity), counterparty credit and liquidity risks.

This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's consolidated financial statements as at 31 December 2018. There has been no change in the risk management policies and organisation since year end.

5. 2. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE HIERARCHY

5. 2. 1. FINANCIAL INSTRUMENTS BY CATEGORY

Except for the long-term loan arrangement with Bertelsmann SE & Co. KGaA (see note 17.) and the external funding of Groupe M6, the fair value of each class of financial assets and liabilities are equivalent to their carrying amount.

The fair value of the 10-year-term facility – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and RTL Group credit spread – amounts to € 557 million (December 2018: € 545 million).

The fair value of the 7-year Euro Private Placement bond issued by Groupe M6 amounts to € 51.9 million (December 2018: € 51.7 million). At 30 June 2019, Groupe M6 did not use the three bilateral committed facilities for a total of € 120 million.

5. 2. 2. FAIR VALUE HIERARCHY

The following table presents the Group's financial assets and liabilities measured at fair value.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities);
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or the liability that are not based on observable market data (unobservable inputs).

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Equity investments at fair value through OCI	**34**	6	–	28
Equity instruments accounted at FVTPL	**4**	–	–	4
Debt instruments measured at FVTPL	**9**	–	9	–
Derivatives used for hedging[1]	**35**	–	35	–
At 30 June 2019	**82**	**6**	**44**	**32**
Liabilities				
Derivatives used for hedging[2]	**16**	–	16	–
Liabilities in relation to put options on non-controlling interests	**12**	–	–	12
At 30 June 2019	**28**	**–**	**16**	**12**

There were no transfers between Levels 1, 2 and 3 during the six-month period ended 30 June 2019.

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Equity investments at fair value through OCI	**37**	6	–	31
Equity instruments accounted at FVTPL	**4**	–	–	4
Debt instruments measured at FVTPL	**9**	–	9	–
Derivatives used for hedging[3]	**31**	–	31	–
At 31 December 2018	**81**	**6**	**40**	**35**
Liabilities				
Derivatives used for hedging[4]	**15**	–	15	–
Liabilities in relation to put options on non-controlling interests	**12**	–	–	12
At 31 December 2018	**27**	**–**	**15**	**12**

There were no transfers between Levels 1, 2 and 3 during the year 2018.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The quoted market price used for financial assets by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more significant inputs is not based on observable market data, the instrument is included in Level 3.

The Group's finance department, which includes Group Treasury and Controlling teams, perform the recurring and non-recurring valuations of items to be valued at fair value for financial purposes, including Level 3 fair values. These teams report directly to the Chief Financial Officer, who reports to the Audit Committee at least once every quarter, in line with the Group's quarterly reporting dates. The main Level 3 related inputs used by RTL Group relate to the determination of the expected discounted cash flows as well as the discount rates used in the different valuations.

1 Of which:
- € 19 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is applied
- € 16 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is not applied

2 Of which:
- € 5 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is applied
- € 11 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is not applied

3 Out of which:
- € 16 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is applied
- € 15 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is not applied

4 Out of which:
- € 4 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is applied
- € 11 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is not applied

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments (Level 2);
- The fair value of forward foreign exchange contracts classified under Level 2 are determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- For instruments classified under Level 3, other techniques, such as discounted cash flow analysis, based for the main instruments on the significant unobservable inputs (e.g. forecast revenue growth rates and market multiples are used to determine fair value for the remaining financial instruments) or the Black-Scholes model. Volatility is primarily determined by reference to comparable publicly traded peers.

The following tables present the change in Level 3 instruments for the six-month period ended 30 June.

	Assets			Liabilities
	Financial assets at fair value through profit or loss €m	Equity investments at fair value through OCI €m	**Total assets €m**	Liabilities at fair value through profit or loss €m
Balance at 1 January 2019	4	31	**35**	**12**
Gains and losses recognised in profit or loss ("Financial results other than interest")	(1)	–	(1)	–
Other changes	1	(3)	(2)	–
Balance at 30 June 2019	4	28	**32**	**12**

	Assets			Liabilities
	Financial assets at fair value through profit or loss €m	Equity investments at fair value through OCI €m	**Total assets €m**	Liabilities at fair value through profit or loss €m
Balance at 1 January 2018	4	45	**49**	**18**
Other changes	–	(13)	(13)	–
Balance at 30 June 2018	4	32	**36**	**18**

6. SEGMENT REPORTING

Six months ended 30 June	Mediengruppe RTL Deutschland[5]		Groupe M6		Fremantle		RTL Nederland		RTL Belgium		Other segments[5]		Eliminations		Total Group	
	2019 €m	2018 €m	**2019 €m**	2018 €m	**2019 €m**	2018 €m	**2019 €m**	2018 €m	**2019 €m**	2018 €m	**2019 €m**	2018 €m	**2019 €m**	2018 €m	**2019 €m**	2018 €m
Revenue from external customers	**1,078**	1,092	**708**	734	**738**	598	**236**	241	**90**	94	**323**	287	**–**	–	**3,173**	3,046
Inter-segment revenue	**1**	2	**7**	5	**90**	74	**–**	–	**–**	1	**26**	24	**(124)**	(106)	**–**	–
Total revenue	**1,079**	1,094	**715**	739	**828**	672	**236**	241	**90**	95	**349**	311	**(124)**	(106)	**3,173**	3,046
Profit/(loss) from operating activities	**377**	349	**141**	128	**51**	33	**19**	31	**17**	18	**(35)**	(35)	**–**	–	**570**	524
Share of results of investments accounted for using the equity method	**16**	14	**3**	(2)	**1**	1	**–**	–	**–**	–	**8**	11	**–**	–	**28**	24
EBIT	**393**	363	**144**	126	**52**	34	**19**	31	**17**	18	**(27)**	(24)	**–**	–	**598**	548
EBITDA	**348**	370	**204**	182	**66**	42	**29**	32	**21**	20	**(6)**	(8)	**–**	–	**662**	638
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)	**(18)**	(7)	**(54)**	(51)	**(14)**	(9)	**(11)**	(9)	**(4)**	(2)	**(23)**	(12)	**–**	–	**(124)**	(90)
EBITA	**330**	363	**150**	131	**52**	33	**18**	23	**17**	18	**(29)**	(20)	**–**	–	**538**	548
Impairment of investments accounted for using the equity method	**–**	–	**2**	(2)	**–**	–	**–**	–	**–**	–	**(2)**	–	**–**	–	**–**	(2)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	**–**	–	**(8)**	(3)	**–**	–	**–**	–	**–**	–	**(2)**	(4)	**–**	–	**(10)**	(7)
Re-measurement of earn-out arrangements	**–**	–	**–**	–	**–**	1	**–**	–	**–**	–	**–**	–	**–**	–	**–**	1
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**63**	–	**–**	–	**–**	–	**1**	8	**–**	–	**6**	–	**–**	–	**70**	8
EBIT	**393**	363	**144**	126	**52**	34	**19**	31	**17**	18	**(27)**	(24)	**–**	–	**598**	548
Interest income															**2**	6
Interest expense															**(17)**	(13)
Financial results other than interest															**15**	1
Income tax expense															**(155)**	(176)
Profit for the period															**443**	366

5 At 30 June 2019, the management of the German radios report to Mediengruppe RTL Deutschland. The German radios previously included in "Other segments" have been transferred to Mediengruppe RTL Deutschland segment. 2018 segment information has been restated accordingly

	Mediengruppe RTL Deutschland[6]		Groupe M6		Fremantle		RTL Nederland		RTL Belgium		Other segments[6]		Eliminations		Total Group	
	June 2019 €m	December 2018 €m	June 2019 €m	December 2018 €m	June 2019 €m	December 2018 €m	June 2019 €m	December 2018 €m	June 2019 €m	December 2018 €m	June 2019 €m	December 2018 €m	June 2019 €m	December 2018 €m	June 2019 €m	December 2018 €m
Segment assets (assets classified as held for sale and investments accounted for using the equity method excluded)	1,839	1,619	1,733	1,707	1,999	2,078	441	398	170	163	755	761	(173)	(215)	6,764	6,511
Investments accounted for using the equity method	96	106	12	11	9	9	8	6	–	–	275	263	–	–	400	395
Assets classified as held for sale	–	66	–	–	75	–	–	–	–	–	–	–	–	–	75	66
Segment assets	1,935	1,791	1,745	1,718	2,083	2,087	449	404	170	163	1,030	1,024	(173)	(215)	7,239	6,972
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	961	986	607	637	595	677	207	171	87	95	448	492	(169)	(211)	2,736	2,847
Liabilities directly associated with non-current assets classified as held for sale	–	50	–	–	15	–	–	–	–	–	–	–	–	–	15	50
Segment liabilities	961	1,036	607	637	610	677	207	171	87	95	448	492	(169)	(211)	2,751	2,897
Invested capital	974	755	1,138	1,081	1,473	1,410	242	233	83	68	582	532	(4)	(4)	4,488	4,075
Segment assets															7,239	6,972
Deferred tax assets															330	333
Income tax receivable															40	24
Other assets															425	573
Cash and cash equivalents															299	422
Total assets															8,333	8,324
Segment liabilities															2,751	2,897
Deferred tax liabilities															24	29
Income tax payable															25	40
Other liabilities															2,122	1,805
Total liabilities															4,922	4,771

6 At 30 June 2019, the management of the German radios report to Mediengruppe RTL Deutschland. The German radios previously included in "Other segments" have been transferred to Mediengruppe RTL Deutschland segment. 2018 segment information has been restated accordingly

7. ACQUISITIONS AND DISPOSALS

FREECASTER

On 1 January 2019, Broadcasting Center Europe SA ("BCE") acquired 100 per cent of the share capital of Freecaster SPRL, a Belgian company, and its fully owned French and Luxembourg subsidiaries ("Freecaster"). Freecaster operates production and broadcast of live and non-live media content on both mobile and the internet. With this acquisition, BCE strengthens its online services. The transaction qualifies as a business combination since RTL Group gained the control of Freecaster. The purchase consideration amounted to € 1 million, net of cash acquired. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. Goodwill of € 1 million mainly represents the value of creative talent and market competence of the Freecaster workforce and is not tax deductible. Freecaster operates as a separate cash-generating unit.

BRANDDELI

On 1 January 2019, RTL Nederland Holding BV ("RTL Nederland") acquired 100 per cent of the share capital of BrandDeli BV and its fully owned subsidiary BrandDeli CV ("BrandDeli"). BrandDeli has the non-exclusive right for a minimum of three years to sell advertising space for the brand portfolio of Discovery, Fox and Viacom thereby expanding its offering of TV commercials, branded partnerships and online (video and display) advertising space. The purchase consideration is € nil million. The transaction qualifies as a business combination since RTL Group gained the control of BrandDeli. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. BrandDeli is allocated to the RTL Nederland cash-generating unit.

YOSPACE

On 1 February 2019, SpotX Limited acquired 100 per cent of the share capital of Yospace Enterprises Limited and its fully owned subsidiary, Yospace Technologies Limited ("Yospace"). Yospace is a UK-based video technology company that has developed solutions for server-side dynamic ad insertion ("SSDAI") which enables the replacement of existing commercials with more targeted advertising. This acquisition complements the ad-tech stack of the Group and secures SpotX as a key technology to win, retain, and scale premium media clients, including RTL Group broadcasters and streaming services.

The transaction qualifies as a business combination since RTL Group gained the control of Yospace. Former EMI options have been accelerated.

The purchase consideration amounted to € 19 million, net of cash acquired. The purchase agreement included an earn-out mechanism based on a variable component recognised in the purchase consideration for € 1.5 million (2018 related portion) paid during the first semester 2019. Yospace's growth shares have been provided to key managers for a capped amount of USD 7 million and qualify as a cash settled share-based payment. The transaction resulted in the recognition of a provisional goodwill of € 18 million. The goodwill is not tax deductible. Yospace is allocated to the SpotX cash-generating unit.
The transaction-related costs amount to € 1.5 million.

UNIVERSUM

On 30 April 2019, following the approval by the German competition authority, Mediengruppe RTL Deutschland has fully disposed of its interests held in Universum Film GmbH ("Universum"), a home entertainment and theatrical distribution company. The sale proceeds of € 91 million has generated a capital gain, net of transaction-related costs, of € 63 million. Universum has been classified as a disposal group since 31 December 2018.

	2019 € m
Cash and cash equivalents	(6)
Goodwill	(13)
Programme and other rights	(5)
Programme rights	(30)
Deferred tax assets	(15)
Other inventories	(1)
Accounts receivable and other financial assets	(13)
Income tax payable	3
Provision for defined benefit plans, pension	6
Accounts payable	37
Loans payable	8
Other comprehensive income	1
Net assets disposed of	**(28)**
Total disposal proceeds	**91**
Cash and cash equivalent in operations disposed of	(6)
Cash inflow on disposal	**85**

OTHER

During the first semester 2019, Groupe M6 has received the remaining sales proceeds of FCGB for € 17.5 million.

Since the gain of control in June 2013, RTL Group held a call option on the BroadbandTV Corp. ("BBTV") non-controlling interests, which it decided not to exercise. On 29 January 2019, the non-controlling shareholders extended an offer to RTL Group for the sale of all of their shares in BBTV, which RTL Group decided not to accept. This triggered an exit mechanism pursuant to which the non-controlling shareholders can drag RTL Group's stake on or before 12 April 2020 in a 100 per cent sale of the company at a price at least equal to the price offered to RTL Group.

8. REVENUE

Revenue is disaggregated below by nature and timing of recognition. The table also includes a reconciliation with reportable segments.

Six months ended 30 June	Mediengruppe RTL Deutschland 2019[7] €m	Groupe M6 2019 €m	Fremantle 2019 €m	RTL Nederland 2019 €m	RTL Belgium 2019 €m	Other segments 2019[7] €m	Total Group 2019 €m
Revenue from advertising	861	535	6	147	72	113	**1,734**
Revenue from exploitation of programmes, rights and other assets	130	73	722	75	11	164	**1,175**
Revenue from selling goods and merchandise and providing services	87	100	10	14	7	46	**264**
	1,078	**708**	**738**	**236**	**90**	**323**	**3,173**
Timing of revenue recognition							
At a point in time	86	143	702	6	1	153	**1,091**
Over time	992	565	36	230	89	170	**2,082**
	1,078	**708**	**738**	**236**	**90**	**323**	**3,173**

Six months ended 30 June	Mediengruppe RTL Deutschland 2018[7] €m	Groupe M6 2018 €m	Fremantle 2018 €m	RTL Nederland 2018 €m	RTL Belgium 2018 €m	Other segments 2018[7] €m	Total Group 2018 €m
Revenue from advertising	895	526	4	162	77	101	**1,765**
Revenue from exploitation of programmes, rights and other assets	122	92	586	63	12	147	**1,022**
Revenue from selling goods and merchandise and providing services	75	116	8	16	5	39	**259**
	1,092	**734**	**598**	**241**	**94**	**287**	**3,046**
Timing of revenue recognition							
At a point in time	86	125	554	11	2	135	**913**
Over time	1,006	609	44	230	92	152	**2,133**
	1,092	**734**	**598**	**241**	**94**	**287**	**3,046**

9. FINANCIAL RESULTS OTHER THAN INTEREST

	June 2019 €m	June 2018 €m
Cash flow hedges ineffectiveness	**10**	2
Other financial results	**5**	(1)
	15	1

In December 2011, a bond of €22.5 million, fully subscribed by RTL Group, had been issued by Alpha Media Group Ltd ("Alpha"), as part of the disposal process. The loan, which was subject to the credit risk of a portfolio of receivables held by Alpha, was fully impaired at 31 December 2018. Following a settlement agreement signed on 13 March 2019, RTL Group has received €7.9 million and reversed the impairment accordingly through profit and loss ("Other financial results").

7 See note 6.

10. IMPAIRMENT TEST FOR GOODWILL

On 1 January 2019, Fremantle disposed of UFA X operations to Divimove GmbH ("Divimove"). This internal transfer significantly enhances Divimove's capabilities in digital storytelling and format development. A portion of Fremantle's goodwill has been re-allocated to Divimove (€ 4 million). The headroom between the recoverable amount and the carrying amount of Divimove and United Screens CGUs has decreased at 30 June 2019 compared to 31 December 2018. On 12 July 2019, RTL Group management has announced the decision to combine United Screens and the Dutch RTL MCN business within Divimove. Management will reassess in the second half of 2019 the impact of this combination on the CGU determination and the related headroom.

In March 2019, Style Haul Inc. identified certain accounting irregularities as part of an internal review. An investigation found that over the past years a former employee had executed a series of unauthorised transactions resulting in an embezzlement of USD 22 million. Style Haul Inc. immediately reported the issue to law enforcement, and the employee was indicted on criminal charges in July 2019. The company has retained outside counsel and reviews further action. By separate decision RTL Group management decided to close Style Haul Inc. and Style Haul UK Ltd ("Style Haul"). At 30 June 2019, the cumulative impact of the fraud and the closure costs currently amount to USD 32 million, of which USD 4 million of impairment on right-of-use asset for real estate. USD 21 million had been accounted for at 31 December 2018 in addition to a goodwill impairment of USD 124 million.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

MAIN CHANGES IN THE GROUP'S OWNERSHIP INTEREST IN ASSOCIATES

On 2 January 2019, RTL Nederland Ventures BV contributed 100 per cent of the shares held in Livis BV ("Livis") to E-Health & safety skills BV ("E-Health") and received 49 per cent of this company in return. The new company holds 100 per cent of Livis and InCase BV ("InCase") and is the market leader in the B2B segment of first aid assistance ("EHBO") in the Netherlands. The capital gain amounts to € 1 million and the Group has a significant influence in E-Health and subsidiaries, Livis and InCase, which are accounted for using the equity method. The carrying amount in respect of these entities is € 2 million at 30 June 2019.

On 6 March 2019, VideoAmp Inc. ("VideoAmp") closed a Series D round for up to USD 56 million funded by a new lead investor RPIII VAI LP for USD 50 million and an existing investor Ankona Holdings I LLC for up to USD 6 million. As at 30 June 2019, the funding from Ankona Holdings I LLC was still pending. As part of the Series D round RTL Group disposed its common stock warrants for USD 2.3 million on 8 March. The Group's ownership percentage has decreased from 22.2 per cent to 15.6 per cent; RTL Group continues to have a significant influence over the company. The dilution has generated a capital gain of € 5 million. The carrying amount in respect of VideoAmp is € 9 million at 30 June 2019.

On 21 March 2019, Groupe M6 was diluted in Life TV SA ("Life TV") from 33.34 per cent to 12.5 per cent and generated a capital gain of € 0.4 million. Accordingly, Life TV is no longer accounted for using the equity method but reported in "Equity instrument at FVTPL".

On 16 April 2019, Inception VR, Inc. ("Inception") issued convertible securities subscribed for € 2.4 million by UFA Film & Fernseh GmbH. The Group holds 16.2 per cent of the share capital at 30 June 2019 (16.8 per cent at 31 December 2018). The carrying amount in respect of Inception is € 4 million at 30 June 2019.

On 6 May 2019, RTL Group SA participated in the Series C funding of Clypd, Inc. ("Clypd") resulting in an equity increase of USD 21.5 million (including conversion of convertible notes). Clypd is the leading audience-based sales platform for television advertising with headquarters in Boston, MA. RTL Group is the largest shareholder of Clypd and has increased its minority interest from 19.3 per cent to 33.9 per cent with a cash-out of € 3.6 million (and conversion of notes in the amount of € 6.5 million). The carrying amount of Clypd is € 15 million at 30 June 2019.

On 23 May 2019, Groupe M6, through its subsidiary M6 Publicité SA, acquired a 40 per cent stake in Wild Buzz Agency SAS ("WBA") a company based in France for an amount of € 2 million. WBA is an events agency specialising in the creation of temporary sites for brands and institutions. The carrying amount in respect of WBA is € 2 million at 30 June 2019.

IMPAIRMENT TESTING

With 10.7 per cent, the Group has a significant influence in Vemba Corp ("Vemba"), a company based in Canada. Vemba is an investment accounted for using the equity method. The company encountered funding issues during 2019 and the carrying amount has been fully impaired at 30 June 2019 (€ 2 million). On 10 July 2019, the shareholders of Vemba approved the disposal of 100 per cent of the shares.

The impairment on Elephorm SAS recorded in 2018 for € 2 million has been fully reversed during the first semester of 2019.

For Atresmedia, Management have decided that there are no triggering events during the six-month period and that the methodology retained for the December 2018 closing remains valid. This includes the sensitivity analysis performed at that time which is still broadly in line.

MAIN CHANGE IN THE GROUP'S OWNERSHIP INTEREST IN JOINT VENTURES

On 16 January 2019, following the approval from the German media and antitrust authorities, RTL Radio Center Berlin GmbH ("RTL Radio Center") completed the acquisition of additional shares in Skyline Medien GmbH ("93.6 Jam FM"). The radio station, which is based in Berlin, targets young listeners. With this investment of € 1 million, RTL Radio Center has increased its ownership to 49.9 per cent. The transaction qualifies as a joint arrangement as RTL Radio Center jointly controls the company. The related carrying amount is below € 1 million at 30 June 2019.

12. ASSETS CLASSIFIED AS HELD FOR SALE

At 30 June 2019, the management of Fremantle are in the process of negotiating the disposal of the majority of their interest in their mobile gaming company, Ludia Inc ("Ludia"). Accordingly, Ludia has been reclassified as a disposal group as of 30 June 2019. The transaction is subject to regulatory approvals.

At 30 June 2019, the disposal group comprises the following assets and liabilities:

	2019 €m
Non-current assets classified as held for sale, disposal group	
Non-current assets	
Goodwill	30
Other intangible assets	21
Property, plant and equipment	2
Loans and other financial assets	2
Current assets	
Accounts receivable and other financial assets	20
Cash and cash equivalents	12
	87
Liabilities directly associated with non-current assets classified as held for sale	
Non-current liabilities	
Deferred tax liabilities	8
Current liabilities	
Loans and bank overdrafts	1
Income tax payable	1
Accounts payable	15
	25

13. SEASONALITY OF OPERATIONS

RTL Group's revenue is generally lower in the summer months of July and August due to a reduction in advertising spend, with September being the most important month in the third quarter. Given the unseasonably hot weather in many of our markets in July and continued concerns around US–China trade relations, the Group is expecting a soft advertising revenue development across the third quarter of 2019. At this stage however the Group remains confident concerning the traditionally more important advertising revenue generation months towards the end of the year.

The Group's content business, Fremantle, usually generates a higher proportion of both revenue and EBITA in the second half of the year due, in part, to the seasonality of programme sales but also to the revenue generated by the distribution, licensing and merchandising business. This seasonality is expected to be different for revenue in 2019 given the strong first half 2019 results. The full year outcome will depend on the timing of the delivery of certain high-value drama shows, but also the impact of foreign exchange translation movements, which positively impacted Fremantle's revenue development over the first half of 2019.

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of € 393 million (June 2018: € 318 million) and a weighted average number of ordinary shares outstanding during the period of 153,540,478 (June 2018: 153,555,364) calculated as follows:

	June 2019	June 2018
Profit attributable to RTL Group shareholders (in € million)	**393**	318
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	**154,742,806**	154,742,806
Effect of treasury shares held	**(1,168,701)**	(1,168,701)
Effect of liquidity programme	**(33,627)**	(18,741)
Weighted average number of ordinary shares	**153,540,478**	153,555,364
Basic earnings per share (in €)	**2.56**	2.07
Diluted earnings per share (in €)	**2.56**	2.07

15. EQUITY

15. 1. TREASURY SHARES

The Company's General Meeting held on 16 April 2014 authorised the Board of Directors to acquire a total number of shares of the Company not exceeding 150,000 in addition to the own shares already held (i.e. 1,168,701 own shares) as of the date of the General Meeting. This authorisation is valid for five years and the purchase price per share is fixed at a minimum of 90 per cent and a maximum of 110 per cent of the average closing price of the RTL Group share over the last five trading days preceding the acquisition.

Following the shareholders' meeting resolution, and in order to foster the liquidity and regular trading of its shares that are listed on the stock market in Brussels and Luxembourg and the stability of the price of its shares, the Company entered on, 28 April 2014, into a liquidity agreement (the "Liquidity Agreement"). During the period ended 30 June 2019, under the Liquidity Agreement, the Liquidity Provider has:

- purchased 29,734 shares at an average price of € 48.41; and
- sold 80,229 shares at an average price of € 47.70, in the name and on behalf of the Company.

On 10 May 2019 RTL Group decided to delist its shares from the Euronext Brussels Stock Exchange with the consequence that the liquidity programme was stopped. RTL Group keeps its two remaining listings on the Luxembourg and Frankfurt Stock Exchange.

15. 2. HEDGING RESERVES

The hedging reserve (equity attributable to non-controlling interests included) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Between 31 December 2018 and 30 June 2019, the hedging reserve increased by € 2 million before tax effect. This consists of:

- increase by € 2 million due to foreign exchange contracts that existed at 2018 year-end and which were still hedging off-balance sheet commitments at 30 June 2019;
- decrease by € 2 million due to foreign exchange contracts that existed at 2018 year-end which were mainly transferred from the hedging reserve to adjust the carrying value of assets purchased (basis adjustment) and subsequently released to the income statement in 2019;
- increase by € 1 million due to foreign exchange contracts that existed at 2018 year end which were mainly transferred from the hedging reserve to adjust the carrying value of assets purchased;
- increase by € 1 million due to foreign exchange contracts entered into in 2019 hedging new off-balance sheet commitments.

Between 31 December 2017 and 30 June 2018, the hedging reserve increased by € 22 million before tax effect. This consists of:

- increase by € 16 million due to foreign exchange contracts that existed at 2017 year-end and which were still hedging off-balance sheet commitments at 30 June 2018;
- increase by € 3 million due to foreign exchange contracts that existed at 2017 year-end which were mainly transferred from the hedging reserve to adjust the carrying value of assets purchased (basis adjustment) and subsequently released to the income statement in 2018;
- increase by € 3 million due to foreign exchange contracts entered into in 2018 hedging new off-balance sheet commitments.

15. 3. DIVIDENDS

On 26 April 2019, the Annual General Meeting of Shareholders decided, after having taken into account the interim dividends of € 1 per share paid on 6 September 2018, to distribute a final dividend of € 3 per share. Accordingly, an amount of € 461 million was paid out on 7 May 2019.

16. NON-CONTROLLING INTERESTS

TRANSACTIONS ON NON-CONTROLLING INTERESTS WITHOUT A CHANGE IN CONTROL

On 1 January 2019, the non-controlling shareholders of iGraal SAS ("IGraal") exercised their put option. Consequently, Groupe M6 acquired the remaining 49 per cent of the share capital of IGraal for € 22 million and paid for € 15 million at 30 June 2019.

After the share buyback by YoBoHo New media Private Ltd ("YoBoHo") and the share acquisition by BroadbandTV Corp. ("BBTV") realised on 2 January 2019 for € 3 million, the Group owns 100 per cent of YoBoHo.

On 19 February 2019, FremantleMedia Overseas Holding BV exercised its call option to acquire the remaining 49 per cent of the share capital of Miso Holding ApS ("Miso") for € 13.8 million (of which deferred contingent consideration for € 1.5 million). € 12.3 million were cashed-out at 30 June 2019. Since RTL Group already has control over Miso, the acquisition was treated as an equity transaction.

17. RELATED PARTY TRANSACTIONS

17. 1. TRANSACTIONS WITH SHAREHOLDERS

FINANCING

DEPOSITS BERTELSMANN SE & CO. KGAA

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

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

The shares of Gruner + Jahr GmbH 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 shares of Gruner + Jahr GmbH.

At 30 June 2019 and 31 December 2018, neither RTL Group SA nor RTL Group Deutschland GmbH held any deposit with Bertelsmann SE & Co. KGaA. The interest income for the period is € nil million (2018: € nil million).

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 30 June 2019, the balance of the cash pooling receivable and payable amounts to € 5 million (December 2018: € 2 million). The interest income/expense for the period is insignificant (June 2018: insignificant).

LOANS FROM BERTELSMANN SE & CO. KGAA AND BERTELSMANN BUSINESS SUPPORT SÀRL

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. Revolving loan terminated on February 2018. RTL Group has re-negotiated an extension for another five-year period. The main terms of these facilities are:

- Term loan facility of € 500 million until 7 March 2023 bearing interest at 2.713 per cent per annum; RTL Group SA has the right to early repay the loan subject to break costs. On 23 June 2016, the term loan facility of € 500 million has been transferred from Bertelsmann SE & Co. KGaA to Bertelsmann Business Support Sàrl controlled by Bertelsmann Luxembourg Sàrl. At 30 June 2019, the term loan balance amounts to € 500 million (December 2018: € 500 million);
- Revolving loans bear interest at the applicable EURIBOR plus a margin of 0.40 per cent per annum, and swingline loans bear interest at EONIA plus a margin of 0.40 per cent per annum. A commitment fee of 30 per cent of the applicable margin is payable on the undrawn amount of the total credit facility. At 30 June 2019, the total of revolving and swingline loan amounts to € 385 million (December 2018: € 232 million).

The interest expense for the period amounts to € 7.2 million (June 2018: € 7.3 million). The commitment fee charge for the period amounts to € 0.5 million (June 2018: € 0.5 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 SA, a direct subsidiary of RTL Group, providing for the payment to CLT-UFA SA 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 SA 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 the change to 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.

For the interim periods, the Commission is determined on management's reasonable estimate on both expected annual taxable results of the tax group RGD and the tax group Bertelsmann SE & Co. KGaA. This estimate is reviewed on a quarterly basis to take into account actual year-to-date results and material known developments affecting the two entities for the remaining part of the year.

At 30 June 2019, the balance payable to BCH amounts to € 390 million (December 2018: € 633 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to € 333 million (December 2018: € 481 million).

For the period ended 30 June 2019, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to € 72 million (June 2018: € 87 million). The Commission amounts to € 15 million (June 2018: € 11 million).

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of € 4 million at 30 June 2019 (June 2018: € 3 million).

All Danish entities under common control by an ultimate parent are subject to Danish tax consolidation, which is mandatory under Danish tax law. Arvato Finance A/S, a 100 per cent held subsidiary of Bertelsmann SE & Co. KGaA, was elected as the management company of the Bertelsmann Denmark Group.

All Spanish entities with direct or indirect shareholding of at least 75 per cent by an ultimate parent are subject to Spanish tax consolidation which is mandatory under Spanish tax law. Bertelsmann SE & Co. KGaA appointed Bertelsmann España, S.L. as Spanish representative of the consolidated tax group in Spain.

17. 2. MAIN TRANSACTION WITH INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

At 30 June 2019, RTL Group owed a cash pooling payable to RTL Disney Fernsehen GmbH & Co. KG for an amount of € 20 million (December 2018: € 37 million).

18. SUBSEQUENT EVENTS

TF1, a French private broadcaster, entered into the Belgian advertising market in September 2017 in order to monetise its Belgian audience. For two years, TF1 mandated a Flemish advertising house. In June 2019, TF1 and IP Belgium SA agreed on the conditions of a new business relationship by signing a binding offer, IP Belgium SA becoming the new advertising house of the French broadcaster TF1 as from September 2019. Both parties are now finalising the long-term contract.

On 17 July 2019, the French broadcasting authority approved the acquisition by Groupe M6 of 100 per cent of the Lagardère Group's Television Business ("Gulli", excluding Mezzo), the French leader in live and on-demand children's TV. This acquisition represents a unique opportunity for Groupe M6 to complement its audiovisual offering for families and to strengthen its overall position in the French media market, both in TV advertising and digital, by leveraging the power of the Gulli brand in on-demand TV (replay and SVOD). Established in more than 91 countries via distribution agreements, the division also provides Groupe M6 with the opportunity to continue to expand its operations at an international level.
The transaction amounts to € 215 million (enterprise value), payable at the effective completion date expected on 2 September 2019, and will be partly financed by a new loan of € 75 million concluded with European investors. The transaction qualifies as a business combination since Groupe M6 will gain control of Gulli.

On 5 August 2019 the German Federal Cartel Office approved the creation of a joint venture, "d-force" between Mediengruppe RTL Deutschland and ProSiebenSat.1. In the future, advertising clients will be able to reach their target groups in addressable TV and online video via an automated booking platform. The demand-side platform Active Agent, which is part of the ProSiebenSat.1. Group's Virtual Minds group forms the basis for the new partnership. Mediengruppe RTL Deutschland and ProSiebenSat.1. would each hold 50 per cent in "d-force" if the negotiations between the two parties are finalised.

Following the favourable opinion from the CSA (the French Audiovisual Regulator) on 17 July 2019 and the authorisation issued on 12 August by the French Competition Authority, the France Télévisions, TF1 and M6 groups announced that the Salto joint venture will be able to start operations. Salto's commercial SVOD offer is due to launch in the first quarter of 2020.

At its meeting on 27 August 2019, RTL Group's Board of Directors appointed Elmar Heggen as the Group's Chief Operating Officer (COO) and Björn Bauer as the Group's new Chief Financial Officer (CFO), effective immediately. Both Elmar Heggen and Björn Bauer will report to RTL Group Chief Executive Officer (CEO) Thomas Rabe. To drive the strategic agenda of RTL Group and to foster cooperation, the Group also established a Group Management Committee (GMC), which will be composed of the members of the Executive Committee (Thomas Rabe, Elmar Heggen, Björn Bauer) and the CEOs of the Group's three largest business units – Bernd Reichart (CEO of Mediengruppe RTL Deutschland), Nicolas de Tavernost (CEO of Groupe M6) and Jennifer Mullin (CEO of Fremantle).
In addition, the Board of Directors has mandated the Executive Committee to review the role and the size of RTL Group's Corporate Centre in Luxembourg. As part of this mandate, the Executive Committee will also explore whether certain corporate positions could be transferred to Cologne. The review is expected to be completed by end of September 2019.

On 28 August 2019, RTL Group announced a strategic review of its ad-tech businesses. With immediate effect, Mediengruppe RTL Deutschland takes over the responsibility for the Group's ad-tech businesses in all European markets (except the UK), bundled under the brand Smartclip. The UK will continue to be the hub that centralises the operations for SpotX Global in Europe. SpotX and Smartclip will continue to work closely to deliver leading technology and monetisation solutions to existing and new European clients. For Smartclip, the objective is to create an open ad-tech development unit, based on the technology developed by Smartclip and custom-tailored for the needs of European broadcasters and streaming services. At the same time, RTL Group has started reviewing strategic partnerships for the SpotX Global business.

MANAGEMENT RESPONSIBILITY STATEMENT

We, Thomas Rabe, Chief Executive Officer (CEO), and Elmar Heggen, Deputy CEO and Chief Financial Officer, confirm, to the best of our knowledge, that the condensed consolidated interim financial information which has been prepared in accordance with IAS 34 as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position and profit or loss of RTL Group and the undertakings included in the consolidation taken as a whole, and that the Directors' report includes a fair review of the development and performance of the business and the position of RTL Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 27 August 2019

Thomas Rabe
Chief Executive Officer

Elmar Heggen
Deputy Chief Executive Officer and
Chief Financial Officer

AUDITORS' REPORT

pwc

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TO THE SHAREHOLDERS OF RTL GROUP S.A.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

We have reviewed the accompanying condensed consolidated interim financial information of RTL Group S.A. and its subsidiaries (the "Group"), which comprise the condensed consolidated interim statement of financial position as at 30 June 2019, and the related condensed consolidated interim income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

BOARD OF DIRECTORS' RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of condensed consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ"

Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises".

This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial information, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of condensed consolidated interim financial information in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this condensed consolidated interim financial information.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Luxembourg, 27 August 2019

PricewaterhouseCoopers, Société coopérative

Represented by

Gilles Vanderweyen *Magalie Cormier*

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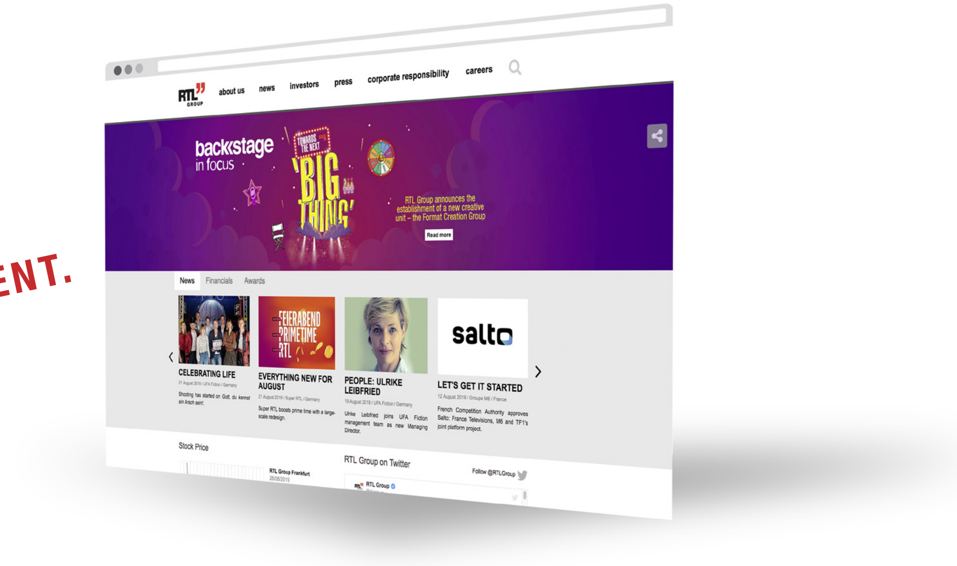

Financial calendar

6 November 2019	Quarterly Statement January to September 2019
13 March 2020	Full-Year Results 2019
14 May 2020	Quarterly Statement January to March 2020
13 August 2020	Interim Results 2020

Credits

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