

**RTL Group S.A.**  
**Société Anonyme**

**Audited annual accounts**  
**for the year ended 31 December 2008**

Board of Directors' Meeting on 11 March 2009

Ordinary General Meeting on 15 April 2009

## **RTL Group S.A.**

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## Directors' report

### I. OVERVIEW

2008 was a successful year for RTL Group. RTL Group (consolidated) generated a total revenue of EUR 5 774 million (2007: EUR 5 707 million), an EBITA of EUR 916 million (2007: EUR 898 million) and a profit for the year of EUR 296 million (2007: EUR 674 million).

The main developments in 2008 were as follows:

- Mediengruppe RTL Deutschland with its best year ever: leading position on the German TV advertising market significantly strengthened;
- FremantleMedia reports growing revenue and EBITA figures for the fifth consecutive year, driven by its slate of international prime time hit formats;
- EBITA of Groupe M6 in France impacted by a major programme investment for the European football championship 2008; free DTT channel W9 continued its rapid audience and revenue growth and generated positive EBITA for the first time;
- RTL Nederland implementing a restructuring programme at the end of the year;
- Acquisition of a 66.6 per cent majority shareholding in Alpha Media Group, Greece's number four broadcasting company.

Consistently with past year, RTL Group S.A. has continued to centralise financing and treasury functions of the Group through central foreign currency risk management and cash pooling arrangements with Group subsidiaries. Furthermore, RTL Group S.A. has two major investments in CLT-UFA S.A. (99.7% of the share capital) and in FremantleMedia S.A. (100% of the share capital).

The profit of RTL Group S.A. for the year 2008 was EUR 113 million (2007: EUR 311 million), reflecting mainly:

- operating charges (EUR 47 million);
- dividends received from subsidiaries (EUR 164 million);
- a reversal of value adjustments on financial assets (EUR 110 million);
- a waiver of loan to a Group company (EUR 160 million);
- net interest income on amounts owed by / due to affiliated undertakings (EUR 42 million).

## II. SUMMARY INCOME STATEMENT

In EUR million	2008	2007
<b>Income</b>		
Operating income	3	3
Financial income <sup>(1)</sup>	373	390
Extraordinary income <sup>(2)</sup>	<u>5</u>	<u>26</u>
Total income	381	419
<b>Charges</b>		
Operating charges <sup>(3)</sup>	47	41
Financial charges <sup>(4)</sup>	221	67
Extraordinary charges	<u>-</u>	<u>-</u>
Total charges	<u>268</u>	<u>108</u>
<b>Profit for the financial year</b>	<b><u>113</u></b>	<b><u>311</u></b>

(1) Financial income includes mainly:

- interest on amounts owed by affiliated undertakings and on cash pooling arrangements for a total amount of EUR 84 million (2007: EUR 103 million);
- dividends received from subsidiaries (CLT-UFA S.A., FremantleMedia Investments PTY Ltd) for a total amount of EUR 164 million (2007: EUR 120 million);
- a reversal of a value adjustment on the investment in FremantleMedia S.A. for EUR 110 million (2007: EUR 160 million). This reversal reflects the continuous improved performance of the underlying business in the content segment, mainly in the US.

(2) Extraordinary income included in 2007 a capital gain of EUR 25 million, realized on the disposal of the investment in Audiomedia Investments S.A..

(3) Operating charges include staff costs of EUR 19 million (2007: EUR 18 million), general and administrative expenses of EUR 22 million (2007: EUR 20 million) and a net wealth tax charge of EUR 6 million (2007: EUR 3 million).

(4) Financial charges include mainly:

- interest on amounts owed to affiliated undertakings and on cash pooling arrangements for a total amount of EUR 42 million (2007: EUR 37 million);
- an exchange loss (net) of EUR 6 million (2007: EUR 15 million);
- a waiver of loan to Channel 5 Television Group Ltd for a total amount of EUR 160 million;
- a value adjustment on own shares for an amount of EUR 5 million, resulting from the decrease of the share price, listed on the Euronext stock exchange, as at 31 December 2008.

### **III. OWN SHARES**

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

On 3 April 2006, RTL Group acquired 173 300 own shares for a total acquisition cost of EUR 12 198 587. These shares have been acquired with the view to fulfil the Company's obligation in the event of the exercise of share options by the beneficiaries in the context of the Stock Option Plan issued in 2000.

A non distributable reserve ("Reserve for own shares") had been constituted from the "Profit brought forward" account for an amount equivalent to the acquisition cost.

As at 31 December 2008, the Company holds directly 173 300 own shares (31 December 2007: 173 300) and indirectly through a Company's subsidiary 995 401 own shares (31 December 2007: 995 401).

As at 31 December 2008, RTL Group's share price, as listed on the Euronext stock exchange, was EUR 42.50 per share. The decrease in the share price resulted in a value adjustment amounting to EUR 4 833 337. An equivalent amount has been transferred from "Reserve for own shares" to "Profit brought forward" in order to reflect the same effect.

### **IV. SIGNIFICANT LITIGATION**

RTL Group has been made a party to litigation between several of its minority shareholders on the one hand and Bertelsmann and GBL on the other hand in relation to the acquisition by Bertelsmann of the RTL Group shares previously owned by GBL. On 8 July 2003, the Luxembourg civil Court rejected the claim of the minority shareholders. The judgement was appealed.

In September 2002, the minority shareholders have filed a lawsuit against RTL Group, its Directors, Bertelsmann, BWTV and WAZ with regard to the free float. They were seeking a Court decision obliging RTL Group to increase the free float and prohibiting other defendants to make additional purchases of RTL Group shares.

The minority shareholders also dispute the decision by RTL Group to de-list its shares from the London Stock Exchange. On 31 December 2002, the Court of appeal of Luxembourg, sitting in summary proceeding, confirmed the Court decision pronounced in summary proceeding on 25 October 2002 that held the claim inadmissible. The de-listing of RTL Group's shares from the London Stock Exchange took effect from 31 December 2002. As a consequence, of the de-listing, the minority shareholders requested the Luxembourg Civil Court to order the re-listing of the shares on the London Stock Exchange. On 30 March 2004, the Court decided to join both claims (free float and de-listing) and dismissed the claims of the minority shareholders. The judgement was appealed.

#### **IV. SIGNIFICANT LITIGATION (cont.)**

On 12 July 2006, the Court of Appeal of Luxembourg decided to join the claims (swap, free-float and de-listing) and confirmed the judgements of the court of first instance. The minority shareholders lodged to the Luxembourg Supreme Court ("Cour de Cassation") a final appeal against this judgement, restricted to a limited set of legal issues not involving RTL Group but linked to the acquisition by Bertelsmann of RTL Group shares previously owned by GBL.

On 21 February 2008, the Luxembourg Supreme Court decided to refer the matter to the European Court of Justice for a preliminary ruling procedure. The proceedings before the Luxembourg Supreme Court are stayed, pending the outcome of the procedure before the European Court of Justice.

RTL Group believes that whatever the outcome of that litigation it should not have any direct impact on the Group, because it has not been a party to that transaction (swap) and its involvement is limited to solely entering any transfer of shares into the shareholders register

Group companies are parties to other litigations, which are disclosed in the consolidated financial statements.

#### **V. POST BALANCE SHEET EVENTS**

On 5 March 2009, Five announced the results of a comprehensive restructuring programme resulting in significant changes to the organisation. The restructuring programme could result in up to 87 positions being impacted, out of a total of 354. Employees affected by this announcement are currently in a consultation period which may last up to three months. This announcement is the latest stage in Five's business review which has already undertaken stringent cost management across its channels allowing funds to be focused on more commercially valuable parts of the schedule, such as peak-time.

#### **VI. PROFIT APPROPRIATION**

The statutory accounts of RTL Group S.A. show a profit for the financial year 2008 of EUR 113 064 016 (2007: profit of EUR 311 063 897). Taking into account the profit brought forward as at 31 December 2008 of EUR 953 606 323, the share premium (EUR 5 782 185 577) and the profit for the year (EUR 113 064 016), the amount available for distribution is EUR 6 848 855 916.

11 March 2009

The Board of Directors

## **Board of Directors**

### **Non-Executive Directors**

Siegfried Luther, Chairman

Martin Taylor<sup>1</sup>, Vice-Chairman and Chairman of Nomination and Compensation Committee

Günther Gröger

Hartmut Ostrowski

Thomas Rabe

Onno Ruding<sup>1</sup>, Chairman of Audit Committee

Jacques Santer<sup>1</sup>

### **Executive Director**

Gerhard Zeiler (Chief Executive Officer)

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<sup>1</sup> Independent director





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**Independent Auditor's report**

To the Shareholders of  
**RTL Group S.A.**

PricewaterhouseCoopers  
Société à responsabilité limitée  
Réviseur d'entreprises  
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**Report on the annual accounts**

Following our appointment by the General Meeting of the Shareholders dated April 16, 2008, we have audited the accompanying annual accounts of RTL Group S.A., which comprise the balance sheet as at December 31, 2008, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory notes.

*Board of Directors' responsibility for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, these annual accounts give a true and fair view of the financial position of RTL Group S.A. as of December 31, 2008, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

**Report on other legal and regulatory requirements**

The Directors' report, which is the responsibility of the Board of Directors, is in accordance with the annual accounts.

PricewaterhouseCoopers S.à r.l.  
Réviseur d'entreprises  
Represented by

Luxembourg, March 11, 2009

  
Pascal Rakovsky

## RTL Group S.A.

### Balance sheet as at 31 December 2008 (expressed in euro)

	Note(s)	2008 EUR	2007 EUR
<b>ASSETS</b>			
<b>Fixed assets</b>			
- intangible assets		1 096 415	396 710
- tangible assets		282 038	355 724
- financial assets			
. shares in affiliated undertakings	3	6 577 318 104	6 469 730 504
. loans to affiliated undertakings	4	209 350 321	270 537 854
. other loans	5	-	34 841 106
		<u>6 788 046 878</u>	<u>6 775 861 898</u>
<b>Current assets</b>			
- debtors (becoming due and payable within one year)			
. amounts owed by affiliated undertakings	6	801 508 722	843 302 078
. current deposit with shareholder	7	602 268 913	624 266 041
. other debtors		2 068 085	2 659 922
- transferable securities			
. own shares	8	7 365 250	12 198 587
. other transferable securities	9	-	41 736 576
- cash at bank, cheques and cash in hand	10	192 016 833	314 016 647
		<u>1 605 227 803</u>	<u>1 838 179 851</u>
<b>Prepayments and accrued income</b>		<u>262 584 519</u>	<u>200 338 486</u>
<b>Total assets</b>		<u><u>8 655 859 200</u></u>	<u><u>8 814 380 235</u></u>

The accompanying notes form an integral part of these annual accounts.

**Balance sheet as at 31 December 2008**  
(expressed in euro)

	Note(s)	2008 EUR	2007 EUR
<b>LIABILITIES</b>			
<b>Capital and reserves</b>			
- subscribed capital	11		
- share premium account	11.1	191 900 551	191 900 551
- legal reserve	11.3	5 782 185 577	5 782 185 577
- reserve for own shares	8	19 190 054	19 190 054
- other reserves		7 365 250	12 198 587
- profit brought forward		7 071 800	7 071 800
- profit for the financial year		953 606 323	1 401 503 424
- gains which are temporarily not taxable	2.2.9	113 064 016	311 063 897
		<u>0</u>	<u>10 143 435</u>
		7 074 383 571	7 735 257 325
<b>Provisions for liabilities and charges</b>			
- provisions for pensions and similar obligations	14	3 754 591	3 038 237
		<u>3 754 591</u>	<u>3 038 237</u>
<b>Creditors (becoming due and payable within one year)</b>			
- amounts owed to credit institutions		127 628	35 856
- amounts owed to affiliated undertakings	13	1 299 453 255	852 883 574
- other creditors		30 510 291	37 884 674
		<u>1 330 091 174</u>	<u>890 804 104</u>
<b>Accrued and deferred income</b>		<u>247 629 864</u>	<u>185 280 569</u>
<b>Total liabilities</b>		<u><u>8 655 859 200</u></u>	<u><u>8 814 380 235</u></u>

The accompanying notes form an integral part of these annual accounts.

**Profit and loss account for the year ended 31 December 2008**  
**(expressed in euro)**

	Note(s)	2008 EUR	2007 EUR
<b>CHARGES</b>			
<b>Staff costs</b>	14		
- wages and salaries		17 471 113	17 064 654
- social security costs		850 423	704 036
- supplementary pensions		678 811	564 672
		<u>19 000 347</u>	<u>18 333 362</u>
<b>Other operating charges</b>	15	21 536 964	20 193 756
<b>Value adjustments in respect of financial assets and own shares</b>			
- on shares in affiliated undertakings	3	120 000	-
- on own shares	8	4 833 337	-
		<u>4 953 337</u>	<u>-</u>
<b>Interest payable and similar charges</b>			
- concerning affiliated undertakings	16	42 084 831	37 416 487
- other interest payable and charges		67 842	39 132
- other financial charges	17	168 151 501	14 530 312
- exchange loss, net	21	5 537 965	15 210 573
		<u>215 842 139</u>	<u>67 196 504</u>
<b>Extraordinary charges</b>		-	5 265
<b>Taxes other than income taxes</b>	23	6 415 683	2 513 734
<b>Profit for the financial year</b>		<u>113 064 016</u>	<u>311 063 897</u>
<b>Total charges</b>		<u><u>380 812 486</u></u>	<u><u>419 306 518</u></u>

The accompanying notes form an integral part of these annual accounts.

**Profit and loss account for the year ended 31 December 2008**  
(expressed in euro)

	Note(s)	2008 EUR	2007 EUR
<b>INCOME</b>			
<b>Other operating income</b>			
- income from the recharge of services <i>including amounts receivable from affiliated undertakings</i>	18	2 808 577	2 691 526
		<u>1 924 609</u>	<u>2 126 413</u>
		2 808 577	2 691 526
<b>Reversal of value adjustments in respect of financial assets</b>			
- on shares in affiliated undertakings	3.3	<u>110 000 000</u>	<u>160 000 000</u>
		110 000 000	160 000 000
<b>Income from affiliated undertakings</b>			
- dividend income	20	<u>163 923 196</u>	<u>119 875 419</u>
		163 923 196	119 875 419
<b>Other interest receivable and similar income</b>			
- derived from affiliated undertakings	19	84 289 024	103 349 306
- other interest receivable and similar income		14 333 849	5 333 832
- other financial income		<u>667 906</u>	<u>1 812 907</u>
		99 290 779	110 496 045
<b>Extraordinary income</b>	22	<u>4 789 934</u>	<u>26 243 528</u>
<b>Total income</b>		<u><u>380 812 486</u></u>	<u><u>419 306 518</u></u>

The accompanying notes form an integral part of these annual accounts.

## **Notes to the annual accounts as at 31 December 2008**

### **Note 1 - General**

RTL Group S.A. (the “Company” or “RTL Group”) was incorporated as a “Société Anonyme” on 30 December 1972 under the name of Compagnie Luxembourgeoise pour l’Audio-Visuel et la Finance, abbreviated to “Audiofina”. The Articles of Association were published in the “Recueil Spécial C des Sociétés et Associations” on 27 March 1973, under the number 52. They were modified on several occasions, the last one being on 17 April 2002. The Company is formed for an unlimited period.

On 25 July 2000, the name of the Company was changed to RTL Group.

The registered office of the Company is established at 45, boulevard Pierre Frieden, L-1543 Luxembourg.

The Company’s financial year starts on January 1<sup>st</sup> and ends on December 31<sup>st</sup> of each year.

The purpose of the Company is national and international development in the audiovisual, communication and information sectors and all related technologies. The Company can also take holdings through granting of loans, merging, subscription or other form of investment in any company, undertaking, association or other legal entity, existing or to be constituted, whatever its form or nationality, having a purpose which is similar or complementary to that of the Company. The Company can undertake any commercial, industrial or financial operation linked directly or indirectly to its purpose or of such a nature that it facilitates or favours its realisation. The Company may also undertake any action useful or necessary, for the accomplishment of its purpose.

The Company also prepares consolidated financial statements, which are published according to the provisions of the law.

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

### **Note 2 - Summary of significant accounting policies**

#### **2.1 Basis of preparation**

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. Accounting policies and valuation rules are, besides the ones laid down by the Law, determined and applied by the Board of Directors.

## **Notes to the annual accounts as at 31 December 2008**

### **2.2 Significant accounting policies**

The main valuation rules applied by the Company are the following:

#### **2.2.1 Fixed assets**

Intangible assets are stated at cost less accumulated depreciation. They comprise EDP software amortised on a straight-line basis over their estimated useful life of 3 years.

Tangible assets are stated at cost less accumulated depreciation. Depreciation is recognised on a straight-line basis over the estimated useful lives of the tangible assets.

Shares in affiliated undertakings are recorded at acquisition cost in the balance sheet. A value adjustment is made when there is a durable diminution in their value. These value adjustments are not continued if the reasons for which these value adjustments were made, have ceased to apply.

Loans to affiliated undertakings and other loans are recorded at acquisition cost or nominal value in the balance sheet. When the market value or the recoverable value is lower than the acquisition cost or nominal value, a value adjustment is recorded. These value adjustments are not continued if the reasons for which these value adjustments were made, have ceased to apply.

#### **2.2.2 Current debtors**

Current debtors are recorded at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made, have ceased to apply.

#### **2.2.3 Own shares**

Own shares are recorded at acquisition cost and are classified as current assets since the aim of these shares is to fulfil the Company's obligation in the event of the exercise of share options by their beneficiaries in the context of the Stock Option Plan issued in 2000. A value adjustment is recorded when the market value is lower than the acquisition cost. In accordance with article 49.5 of the Law on Commercial Companies, a non distributable reserve ("Reserve for own shares") is constituted for an equivalent amount from "Profit brought forward".

#### **2.2.4 Other transferable securities**

Transferable securities are valued at the lower of purchase cost, including expenses incidental thereto and calculated on the basis of FIFO method, or market value, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value is lower than the acquisition cost.



## **Notes to the annual accounts as at 31 December 2008**

### **2.2.5 Cash at bank, cheques and cash in hand**

The Company reports in the balance sheet the net amount of the debit and credit positions of the bank accounts when these positions relate to the same currency of a same bank. If these conditions are not met, credit positions are recorded as bank overdrafts in “Amounts owed to credit institutions”.

Money market investment funds which meet the following criteria:

- Short term investments,
  - Highly liquid investments,
  - Readily convertible to known amounts of cash,
  - Subject to an insignificant risk of changes in value,
- are recorded under “Cash at bank, cheques and cash in hand” at their latest official net asset values as provided by the relevant administrators.

### **2.2.6 Foreign currency translation**

The Company maintains its accounts in Euro and both the balance sheet and profit and loss account are expressed in this currency.

Transactions in foreign currencies are recorded at the rate of exchange ruling on the transaction date. With the exception of fixed assets, all assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Related realised and unrealised gains as well as realised and unrealised losses are recognised in the profit and loss account.

### **2.2.7 Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, including most notably exposures to USD and GBP. For the Group as a whole, cash flow, net income and net worth are optimised by reference to EUR. Foreign exchange risks faced by individual Group companies, however, are managed or hedged against the functional currency of the relevant entity.

Group Treasury periodically collects from the Group companies forecasts of foreign currency exposures arising from signed output deals and programme rights in order to monitor the Group’s overall foreign currency exposure. Entities exposed to foreign currency risk are responsible for hedging their exposures in accordance with the Treasury policies approved by the Board of Directors. Companies in the Group use forward contracts, transacted with Group Treasury, to hedge their exposure to foreign currency risk. Group Treasury is responsible for hedging the net position in each currency by using external foreign currency derivative contracts.

The foreign currency management policy of the Group is to hedge 100 per cent of the recognised monetary foreign currency exposures arising from cash, receivables, payables, loans and borrowings denominated in currencies other than EUR.

Within this framework, RTL Group enters into foreign currency derivative contracts with banking institutions (external) and with Group subsidiaries (internal).

## **Notes to the annual accounts as at 31 December 2008**

### **2.2.7 Foreign exchange risk (cont)**

Unrealised losses and gains resulting from the revaluation of the foreign currency derivative contracts (internal and external) are recognised in the profit and loss account with a counterpart in the balance sheet in, respectively, “Accruals and deferred income” and “Prepayments and accrued income”.

### **2.2.8 Cash pooling arrangements**

In order to optimize cash management, RTL Group has implemented a cash pooling policy to centralise the Group liquid funds:

- The local cash pooling includes the majority of the Luxembourg subsidiaries. This automated cash pooling is made with a local banking institution. The conditions of the loans/borrowings are determined on an arm’s length basis and based on specific risks linked to each Group company. The basis rate is EONIA adjusted for a margin (from -0.25% to -0.40% on credit margin and +0.50% on debit margin);
- The European cash pooling comprises the following Group companies: Audiomedia Investments S.A. (Belgium), Bayard d’Antin S.A. (France), CLT-UFA S.A. (Luxembourg), Fremantlemedia Operations B.V. (Netherlands), Fremantle Produces de Televisio SA (Portugal), Grundy Producciones SA (Spain), Grundy Italia S.p.A. (Italy), IPL S.à r.l. (Luxembourg), RTL Group Beheer B.V. (Netherlands) and TVI S.A. (Belgium). The interest rate of loans/borrowings is based usually on EONIA, adjusted for a margin reflecting the specific risks attached to the Group companies.

### **2.2.9 Gains which are temporarily not taxable**

The account “Gains which are temporarily not taxable” (art. 54 LIR) includes the realised gains to be reinvested in the two years following the sale of fixed assets as well as the realised gains already reinvested for which tax relief has been received.

## Notes to the annual accounts as at 31 December 2008

### Note 3 - Shares in affiliated undertakings

Movements of the year are as follows:

	<b>EUR</b>
Acquisition cost as at 31 December 2007	8 478 493 327
Acquisitions	74 600
Disposals	( 2 367 000)
<b>Acquisition cost as at 31 December 2008</b>	<b>8 476 200 927</b>
Value adjustments as at 31 December 2007	(2 008 762 823)
Value adjustment for the year	( 120 000)
Reversal of value adjustment for the year	110 000 000
<b>Value adjustments as at 31 December 2008</b>	<b>(1 898 882 823)</b>
Carrying value as at 31 December 2007	6 469 730 504
<b>Carrying value as at 31 December 2008</b>	<b>6 577 318 104</b>

### 3.1 Acquisitions

During the year 2008, the Company has acquired 373 shares in CLT-UFA S.A. for a total amount of EUR 74 600 to individual shareholders.

### 3.2 Disposals

In June 2008, the Company has sold its investment in Fremantlemedia Investments PTY Ltd to a third party for an amount of EUR 5 588 569, resulting in a capital gain of EUR 3 221 569 (Note 22).

### 3.3 Reversal of value adjustment

The carrying value of the investment in FremantleMedia S.A. as at 31 December 2008 has been increased by EUR 110 000 000 (2007: EUR 160 000 000) through a reversal of value adjustment to reflect the continuous improved performance of the underlying business in the content segment, mainly in the US.

### 3.4 Detail of shares in affiliated undertakings

Name of the company	Legal Form	Country	Activity	Direct % held	Acquisition cost	Value adjustment	Net	Equity before	Result of the
								result for the year (2007)	last period closed (2007)
					EUR	EUR	EUR	EUR	EUR
CLT-UFA	S.A.	Luxembourg	Holding / TV / Radio	99.7	5 503 738 104	0	5 503 738 104	5 090 263 564	( 1 664 580)
FremantleMedia	S.A.	Luxembourg	Holding	100	1 830 149 349	( 757 149 349)	1 073 000 000	728 437 694	( 1 174 585)
Fremantle Productions Asia	Ltd.	Hong Kong	Production	100	1 180 000	( 600 000)	580 000	562 886	-
Grundy Holdings (Netherlands)	B.V.	The Netherlands	Holding	100	1 136 017 474	(1 136 017 474)	0	73 837	57 848
Grundy International Operations	Ltd.	Netherlands Antilles	Holding	100	5 116 000	( 5 116 000)	0	47 332	1 367
					<b>8 476 200 927</b>	<b>(1 898 882 823)</b>	<b>6 577 318 104</b>		

## Notes to the annual accounts as at 31 December 2008

### Note 4 - Loans to affiliated undertakings

The loans to affiliated undertakings recorded in fixed assets are detailed as follow:

- An advance of GBP 121 024 690 (EUR 135 162 709) granted to FremantleMedia Ltd, bearing interest at LIBOR1Y GBP + 0.5% and with maturity date 20 August 2013. The interest accrued on the advance at 31 December 2008, presented in current assets, amounts to GBP 2 905 786 (EUR 3 245 238);
- A loan of GBP 62 378 504 (EUR 69 665 517) granted to Channel 5 Television Group Limited bearing interest at LIBOR3M +2.5% and with maturity date 2<sup>nd</sup> September 2014. The interest accrued on the loan at 31 December 2008, presented in current assets, amounts to GBP 6 960 970 (EUR 7 774 147);
- A loan of JPY 350 871 100 (EUR 2 822 095) granted to Fremantle Japan KK on 14 August 2008, bearing interest at TIBOR1YJPY +1.5% and with maturity date 14 August 2011. The interest accrued on the loan at 31 December 2008, presented in current assets, amounts to JPY 3 348 480 (EUR 26 932);
- A loan of EUR 1 700 000 granted to Grundy Producciones SA on 1<sup>st</sup> July 2008, bearing interest at EURIBOR6M +3% and with maturity date 1<sup>st</sup> July 2011. The interest accrued on the loan at 31 December 2008, presented in current assets, amounts to EUR 70 623.

On 21 November 2008, the Company released Channel 5 Television Group Limited from its liability to reimburse the following amounts through a “Deed of waiver and release”:

- GBP 125 000 000 of the principal; and
- GBP 9 410 320 of the interest accrued on the principal for the period between 1<sup>st</sup> January 2008 and the date of the “Deed of waiver and release”.

The corresponding charge (EUR 159 945 927) is recorded in “other financial charges” (Note 17).

For the total interest income relating to the loans to affiliated undertakings, see note 6.1.

### Note 5 - Other loans

In the course of 2008, the Company has transferred at book value its long-term deposits with financial institutions to a Company’s subsidiary. As at 31 December 2007, these long-term deposits amounted to EUR 34 841 106. The interest accrued, recorded in current assets, amounts to 0 (2007: EUR 652 838). Total interest income on “Other loans” during the year amounts to EUR 0 (2007: EUR 1 129 539) and is recorded in “Other financial income”.

## **Notes to the annual accounts as at 31 December 2008**

### **Note 6 - Amounts owed by affiliated undertakings**

#### **6.1 Loans to Group companies**

The loans granted to Group companies are detailed as follows:

- A loan of SGD 5 000 000 (EUR 2 473 166) granted to Fremantle Media Asia Pte Ltd on 17 November 2008, bearing interest at 2.5% and with maturity date 17 February 2009. The interest accrued on the loan at 31 December 2008 amounts to SGD 15 625 (EUR 7 729);
- A loan of EUR 729 412 granted to Fremantlemedia Brazil LTDA, bearing interest at 15.33% and with maturity date 19 January 2009. The interest accrued on the loan at 31 December 2008 amounts to EUR 52 182;
- A loan of EUR 164 619 granted to Fremantlemedia Brazil LTDA, bearing interest at 12.55% until 8 August 2008, and 15.65% thereafter, and with maturity date 19 January 2009. The interest accrued on the loan at 31 December 2008 amounts to EUR 26 115;
- A loan of EUR 50 000 granted to Content Union S.A., bearing interest at 7.435% and with maturity date 28 April 2009. The interest accrued on the loan at 31 December 2008 amounts to EUR 2 561;
- A loan of EUR 50 000 granted to Content Union S.A., bearing interest at 7.993% and with maturity date 7 October 2009. The interest accrued on the loan at 31 December 2008 amounts to EUR 955.

Total interest income on the loans to affiliated undertakings (fixed assets) and amounts owed by affiliated undertakings (current assets) during the year amounts to EUR 28 456 353 (2007: EUR 40 315 363) (Note 19).

#### **6.2 Cash pooling arrangements**

As part of the cash pooling arrangements described in note 2.2.8, RTL Group has, as at 31 December 2008, receivable balances with Group companies for a total amount of EUR 786 835 044 (2007: EUR 664 542 116). The interest accrued at 31 December 2008 amounts to EUR 0 (2007: EUR 0).

Total interest income on cash pooling arrangements during the year amounts to EUR 32 804 468 (2007: EUR 38 911 634) (Note 19).

#### **6.3 Interest accrued**

As at 31 December 2008, the interest accrued on loans to affiliated undertakings and amounts owed by affiliated undertakings amounts to EUR 11 206 481 (2007: EUR 7 060 005).

## Notes to the annual accounts as at 31 December 2008

### Note 7 - Current deposit with shareholder

With the view to invest its cash surplus, RTL Group has entered in 2006 with 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 1 to 3 month basis, EURIBOR plus 10 basis points;
- Bertelsmann AG grants to RTL Group as security for all payments due by Bertelsmann AG a pledge on:
  - all shares of its wholly owned French subsidiary Média Communication S.A.S.;
  - since July 2007, all shares of its wholly owned Spanish subsidiary Media Finance Holding S.L.;
  - since October 2008, all interest in the German limited liability partnership Gruner + Jahr AG & Co. KG (73.4% stake);
  - since November 2008, all shares of its wholly owned English subsidiary Bertelsmann UK Ltd.

The interests in Gruner + Jahr AG & Co. KG and shares of Bertelsmann UK Ltd have also been granted as pledge by Bertelsmann AG to CLT-UFA S.A., a subsidiary of RTL Group, in connection with the accounts receivable related to Profit and Loss Pooling and Compensation agreements of CLT-UFA S.A. with Bertelsmann AG.

The total amount of the deposit and the receivables referred to above does not exceed 60% of the fair value of the assets pledged, which is revalued on a regular basis.

As at 31 December 2008, the deposit (principal amount) with Bertelsmann AG amounts to EUR 23 636 163 (2007: EUR 20 160 831) on an overnight basis, EUR 0 (2007: EUR 220 000 000) on a 1 month basis and EUR 575 000 000 (2007: EUR 380 000 000) on a 3 month basis. The interest income for the year 2008 amounts to EUR 23 028 203 (2007: EUR 24 122 309) (Note 19), including accrued interest of EUR 3 632 750 (2007: EUR 4 105 210).

### Note 8 - Own shares

By resolution of the Annual General Meeting of the shareholders of RTL Group held on 18 April 2001, the Board of Directors of the Company was authorized for a period of fifteen months from the date of such shareholders' meeting, to acquire an aggregate number of shares of RTL Group not exceeding the maximum 10% allowed under the Luxembourg law of 10 August 1915 applicable to commercial companies. The acquisition price was set between EUR 40 as a minimum and 105% of the average of the market price on the shares of RTL Group on the London Stock Exchange during the five last days preceding the acquisition as a maximum. At a Board meeting held on 8 January 2002, the Board of Directors resolved that the Company would not purchase any RTL Group shares at a price exceeding EUR 44.

## Notes to the annual accounts as at 31 December 2008

### Note 8 - Own shares (cont.)

On 3 April 2006, RTL Group S.A. acquired 173 300 own shares for a total acquisition cost of EUR 12 198 587 from Group companies, Audiomedia Investments S.A. and B.& C.E. S.A.. The acquisition cost per share (EUR 70.39) has been determined according to the average stock price over the last 6 months preceding the acquisition by RTL Group S.A..

As at 31 December 2008, the Company holds directly 173 300 own shares (2007: 173 300) and indirectly through a Company's subsidiary 995 401 own shares (2007: 995 401).

As at 31 December 2008, RTL Group's share price, as listed on the Euronext stock exchange, was EUR 42.50 per share. The decrease in the share price resulted in a value adjustment amounting to EUR 4 833 337, recorded in "Value adjustment in respect of financial assets and own shares". An equivalent amount has been transferred from "Reserve for own shares" to "Profit brought forward" in order to reflect the same effect (Note 11.2).

### Note 9 - Other transferable securities

In 2008, the Company transferred at book value its shares in an investment fund to a Company's subsidiary. These shares were included in 2007 in "Other transferable securities" for an amount of EUR 41 736 576. The value adjustment recorded in 2008 before the transfer amounts to EUR 4 879 606 (2007: EUR 2 918 263) and is recorded in "Other financial charges" (Note 17).

### Note 10 - Cash at bank, cheques and cash in hand

	<b>2008</b>	<b>2007</b>
	<b>EUR</b>	<b>EUR</b>
Cash at bank and on hand	17 191 931	87 283 435
Money market funds	174 824 902	226 733 212
	<u>192 016 833</u>	<u>314 016 647</u>

Total interest income on the money market investment funds during the year amounts to EUR 12 309 943 (2007: EUR 4 290 746) and is recorded in "Other interest receivable and similar income" (Note 19).

### Note 11 - Capital and reserves

#### 11.1 Subscribed capital

As at 31 December 2008, the subscribed capital amounts to EUR 191 900 551 and is represented by 154 787 554 fully paid-up shares, with no nominal value.

## Notes to the annual accounts as at 31 December 2008

### 11.2 Changes in shareholders' equity

The changes in shareholders' equity during the year are summarized in the table below:

	Subscribed Capital	Share premium account	Legal reserve	Reserve for own shares	Other reserves	Profit brought forward	Profit for the financial year	Gains which are temporarily not taxable
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As at 31/12/2007	<u>191 900 551</u>	<u>5 782 185 577</u>	<u>19 190 054</u>	<u>12 198 587</u>	<u>7 071 800</u>	<u>1 401 503 424</u>	<u>311 063 897</u>	<u>10 143 435</u>
Allocation of 2007 result						311 063 897	( 311 063 897)	
Dividend distribution						( 773 937 770)		
Result for the year							113 064 016	
Reclassification						10 143 435		( 10 143 435)
Other movements (Note 8)				( 4 833 337)		4 833 337		
As at 31/12/2008	<u>191 900 551</u>	<u>5 782 185 577</u>	<u>19 190 054</u>	<u>7 365 250</u>	<u>7 071 800</u>	<u>953 606 323</u>	<u>113 064 016</u>	<u>0</u>

Changes in shareholders' equity are explained by:

- The profit for the financial year 2008;
- The allocation for the year ended 31 December 2007 by the Annual General Meeting of Shareholders held on 16 April 2008, which decided the allocation of the profit of the financial year 2007 for EUR 311 063 897 to the profit brought forward and to the payment of a dividend of EUR 773 937 770;
- An amount of EUR 10 143 435 reclassified from "Gains which are temporarily not taxable" to the "Profit brought forward" to reflect the elapsed period required by the tax law (art. 54 L.I.R.) for reinvesting some capital gains. Accordingly, this amount is considered as a taxable income for the year 2008.

### 11.3 Legal reserve

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.



## Notes to the annual accounts as at 31 December 2008

### Note 12 - Financing programmes

The following financing programmes have been entered into by RTL Group in previous years:

- EUR 600 million dematerialized treasury notes programme:

On 10 October 2001, RTL Group entered into a EUR 400 million dematerialized treasury notes programme (the “Programme”) under Belgian law. Under the Programme, the Company can issue treasury notes (the “Notes”) up to an aggregate amount of EUR 400 million. The maturities of the Notes may be determined by the Company and the Notes may be denominated in EUR or any other currency of a country member of the Organisation for Economic Cooperation and Development (“O.E.C.D.”), subject to any applicable legal or regulatory restrictions. The Programme is not listed. The Programme has been subsequently increased to EUR 600 million in 2002.

As at 31 December 2008, the balance of the Programme amounts to EUR 0 (2007: EUR 0) and the interest expense for the year amounts to EUR 0 (2007: EUR 0).

- EUR 2 000 million euro medium term note programme

On 5 November 2001, RTL Group entered into a EUR 2 000 million euro medium term note programme (the “Programme”) under English law. Under the Programme, the Company can issue notes (the “Notes”), in series that may be distributed by private or public placement and in each case on a syndicated or non syndicated basis. The maturities and denomination of the Notes may be determined by the Company, subject to any applicable legal or regulatory restrictions. The Programme is listed on the Luxembourg stock exchange.

As at 31 December 2008, the balance of the Programme amounts to EUR 0 (2007: EUR 0) and the interest expense for the year amounts to EUR 0 (2007: EUR 0).

- EUR 1 000 million euro-commercial paper programme

On 30 May 2001, RTL Group entered into a EUR 1 000 million euro-commercial paper programme (the “Programme”) under English law. Under the Programme, the Company can issue notes (the “Notes”), in series that can be interest bearing, index linked or sold at a discount to their face value. The Notes have a maturity of a minimum of 3 days and maximum of 364 days. The Notes can be issued in EUR, USD, GBP, CHF or JPY. The Programme is not listed.

As at 31 December 2008, the balance of the Programme amounts to EUR 0 (2007: EUR 0) and the interest expense for the year amounts to EUR 0 (2007: EUR 0).

## Notes to the annual accounts as at 31 December 2008

### Note 13 - Amounts owed to affiliated undertakings

#### 13.1 Short term advances from Group companies

The short term advances from Group companies are detailed as follows:

- A short term advance of EUR 17 500 000 granted by Radio 538 B.V., bearing interest at 4.02% (Euribor 3M -0.1%) as at 31 December 2008. The interest accrued on the advance at 31 December 2008 amounts to EUR 80 121;
- A short term advance of EUR 8 713 472 granted by IP Österreich GmbH, bearing interest at 2.92% (Euribor 3M flat) as at 31 December 2008. The interest accrued on the advance at 31 December 2008 amounts to EUR 2 120.

Total interest expense on short term advances from Group companies during the year amounts to EUR 1 073 839 (2007: EUR 306 555) (Note 16).

#### 13.2 Cash pooling arrangements

As part of the cash pooling arrangements described in note 2.2.8, RTL Group has, as at 31 December 2008, payable balances with Group companies for a total amount of EUR 1 273 157 542 (2007: EUR 823 824 024). The interest accrued at 31 December 2008 amounts to EUR 0 (2007: EUR 0).

Total interest expense on cash pooling arrangements during the year amounts to EUR 41 010 992 (2007: EUR 37 109 932) (Note 16).

### Note 14 - Staff costs

In 2008, the average number of employees of RTL Group is 84 employees (2007: 80), which are dedicated to corporate functions.

The provision for pensions amounts to EUR 3 754 591 as at 31 December 2008 (2007: EUR 3 038 237).

### Note 15 - Other operating charges

	<b>2008</b>	<b>2007</b>
	<b>EUR</b>	<b>EUR</b>
General expenses	15 109 453	15 033 039
Fees	5 899 511	4 572 717
Directors' fees	528 000	588 000
	<u>21 536 964</u>	<u>20 193 756</u>

## Notes to the annual accounts as at 31 December 2008

### Note 16 - Interest payable and similar charges concerning affiliated undertakings

	<b>2008</b>	<b>2007</b>
	<b>EUR</b>	<b>EUR</b>
Interest on short term advances from Group companies (Note 13.1)	1 073 839	306 555
Interest on cash pooling arrangements (Note 13.2)	41 010 992	37 109 932
	<u><b>42 084 831</b></u>	<u><b>37 416 487</b></u>

### Note 17 - Other financial charges

	<b>2008</b>	<b>2007</b>
	<b>EUR</b>	<b>EUR</b>
Bank fees	1 273 932	1 279 503
Commitment fees	-	96 500
Waiver of loan to Channel 5 Television Group Ltd (Note 4)	159 945 927	-
Waiver of amounts due by FremantleMedia LLC	-	1 404 446
Value adjustment on other transferable securities (Note 9)	4 879 606	2 918 263
Others	2 052 036	8 831 600
	<u><b>168 151 501</b></u>	<u><b>14 530 312</b></u>

The commitment fees related in 2007 to unused credit facilities granted by Bertelsmann AG.

### Note 18 - Income from the recharge of services

	<b>2008</b>	<b>2007</b>
	<b>EUR</b>	<b>EUR</b>
<u>Group</u>		
Administrative and management services	1 852 148	2 115 189
Others	72 461	11 224
	<u>1 924 609</u>	<u>2 126 413</u>
<u>Third parties</u>		
Administrative and management services	882 498	562 839
Reversal of provisions	-	2 274
Others	1 470	-
	<u>883 968</u>	<u>565 113</u>
	<u><b>2 808 577</b></u>	<u><b>2 691 526</b></u>

## Notes to the annual accounts as at 31 December 2008

### Note 19 - Other interest receivable and similar income

#### - Other interest receivable and similar income derived from affiliated undertakings

	<b>2008</b>	<b>2007</b>
	<b>EUR</b>	<b>EUR</b>
Interest on loans and amounts owed by affiliated undertakings (Note 6.1)	28 456 353	40 315 363
Interest on cash pooling arrangements (Note 6.2)	32 804 468	38 911 634
Interest on current deposit with shareholder (Note 7)	23 028 203	24 122 309
	<u>84 289 024</u>	<u>103 349 306</u>

#### - Other interest receivable and similar income

	<b>2008</b>	<b>2007</b>
	<b>EUR</b>	<b>EUR</b>
Interest on money market funds (Note 10)	12 309 943	4 290 746
Interest on bank accounts	2 023 906	1 043 086
	<u>14 333 849</u>	<u>5 333 832</u>

### Note 20 - Dividend income

	<b>2008</b>	<b>2007</b>
	<b>EUR</b>	<b>EUR</b>
Audiomedia Investments S.A.	-	1 919 920
CLT-UFA S.A.	162 469 667	117 955 499
Fremantlemedia Investments PTY Ltd	1 453 529	-
	<u>163 923 196</u>	<u>119 875 419</u>

## Notes to the annual accounts as at 31 December 2008

### Note 21 - Exchange loss, net

	<b>2008</b> <b>EUR</b>	<b>2007</b> <b>EUR</b>
Realized foreign exchange losses	( 277 796 071)	( 240 426 824)
Realized foreign exchange gains	315 079 758	240 616 360
Unrealized foreign exchange losses on assets and liabilities and on foreign currency derivatives	( 63 078 942)	( 15 483 344)
Unrealized foreign exchange gains on assets and liabilities and on foreign currency derivatives	20 257 290	83 235
	<u>( 5 537 965)</u>	<u>( 15 210 573)</u>

### Note 22 - Extraordinary income

	<b>2008</b> <b>EUR</b>	<b>2007</b> <b>EUR</b>
Gain on disposal of shares in affiliated undertakings (Note 3.2)	3 221 569	24 969 330
Others	1 568 365	1 274 198
	<u>4 789 934</u>	<u>26 243 528</u>

In September 2007, the Company had sold its investment in Audiomédia Investments S.A. to a Group company for an amount of EUR 34 928 505, resulting in a capital gain of EUR 24 969 330.

### Note 23 - Taxes other than income taxes

	<b>2008</b> <b>EUR</b>	<b>2007</b> <b>EUR</b>
Net wealth tax	6 266 814	2 395 725
Other taxes	148 869	118 009
	<u>6 415 683</u>	<u>2 513 734</u>

### Note 24 - Tax status

The Company is subject in Luxembourg to the general tax regulations applicable to all companies.

As from 1<sup>st</sup> January 2002, the Company is part of a tax unity including other Luxembourg Group companies. Unused tax losses existing as at 31 December 2008, for the tax unity in Luxembourg amount to EUR 4 393 million (2007: EUR 4 343 million). In the event that one or several Group companies would have taxable income, these companies will not record income tax charge (towards RTL Group), respectively RTL Group will not record income tax profit (towards the Group companies) as long as the tax unity will benefit from unused tax losses.

## Notes to the annual accounts as at 31 December 2008

### Note 25 - Commitments

#### 25.1 Foreign currency derivative contracts

As at 31 December 2008, in accordance with the foreign currency management policy described in note 2.2.7, RTL Group has entered into foreign currency derivative contracts with banking institutions (external) and with Group companies (internal). The net foreign currency exposure resulting from the open contracts at year-end can be detailed as follows:

Currency	With banking institutions	With Group companies
AUD	(108 214 003)	104 503 480
CAD	3 919 444	(3 919 794)
DKK	(10 674 860)	1 277 360
GBP	373 326 743	(140 043 262)
HUF	3 452 656 400	(3 454 080 580)
JPY	3 508 800	-
PLN	2 181 900	-
SGD	5 000 000	-
USD	(1 160 493 281)	1 148 525 800
ZAR	(7 000 000)	7 000 000

In the table, the positive amounts correspond to a sale of the related currency (short position) and the negative amounts correspond to a purchase of the related currency (long position).

The residual exposure is explained by the hedging of receivables, payables, loans and borrowings denominated in currencies other than EUR in the accounts of RTL Group.

#### 25.2 Other commitments

As at 31 December 2008, the Company has given guarantees to third parties on behalf of Group companies for an amount of EUR 175 879 882 (31 December 2007: EUR 192 873 505).

## Notes to the annual accounts as at 31 December 2008

### Note 26 - Share Option Plan

On 25 July 2000, the Company established a share option programme for certain directors and employees of the Company and its subsidiaries.

All participants in the stock option plan (the "SOP") must be employed by RTL Group or one of its subsidiaries at the time of the grant of options under the SOP. The number of options granted to a participant under the SOP are at the discretion of a compensation committee, established to operate the SOP.

The number of ordinary shares which may be placed under option under the SOP in any year may not be more than a half per cent of the Company's issued ordinary share capital.

The exercise price of the options granted under the SOP will be the average closing middle market price of shares in the Company on the Brussels Stock Exchange over the 20 dealing days preceding the date of grant or such other, higher or lower, amount as determined by the compensation committee.

Options will normally be exercisable as to one third on each of the second, third and fourth anniversaries of the date of grant or in accordance with such other vesting schedule as determined by the compensation committee. Options must normally be exercised before the expiry of 10 years from the date of grant or such shorter period as determined by the compensation committee.

Movements in the number of share options are as follows:

	<b>2008</b>	<b>2007</b>
Options outstanding at 1 <sup>st</sup> January	139 050	147 800
Options issued during the year	-	-
Options exercised during the year	-	-
Options expired / cancelled during the year	<u>(9 500)</u>	<u>(8 750)</u>
Options outstanding at 31 <sup>st</sup> December	<b><u>129 550</u></b>	<b><u>139 050</u></b>

Share options outstanding at 31 December 2008 have the following terms:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Number of options</b>
	<b>EUR</b>	
2010	85.24	122 350
2010	120	6 000
2011	85.24	<u>1 200</u>
		<b><u>129 550</u></b>

The number of share options granted to the Directors of the Company during 2008 is 0 (2007: 0). The outstanding number of share options granted to the Directors of the Company as at 31 December 2008 is 11 500 (31 December 2007: 11 500).

## Notes to the annual accounts as at 31 December 2008

### Note 27 - Significant litigation

RTL Group has been made a party to litigation between several of its minority shareholders on the one hand and Bertelsmann and GBL on the other hand in relation to the acquisition by Bertelsmann of the RTL Group shares previously owned by GBL. On 8 July 2003, the Luxembourg civil Court rejected the claim of the minority shareholders. The judgement was appealed.

In September 2002, the minority shareholders have filed a lawsuit against RTL Group, its Directors, Bertelsmann, BWTV and WAZ with regard to the free float. They were seeking a Court decision obliging RTL Group to increase the free float and prohibiting other defendants to make additional purchases of RTL Group shares.

The minority shareholders also dispute the decision by RTL Group to de-list its shares from the London Stock Exchange. On 31 December 2002, the Court of appeal of Luxembourg, sitting in summary proceeding, confirmed the Court decision pronounced in summary proceeding on 25 October 2002 that held the claim inadmissible. The de-listing of RTL Group's shares from the London Stock Exchange took effect from 31 December 2002. As a consequence, of the de-listing, the minority shareholders requested the Luxembourg Civil Court to order the re-listing of the shares on the London Stock Exchange. On 30 March 2004, the Court decided to join both claims (free float and de-listing) and dismissed the claims of the minority shareholders. The judgement was appealed.

On 12 July 2006, the Court of Appeal of Luxembourg decided to join the claims (swap, free-float and de-listing) and confirmed the judgements of the court of first instance. The minority shareholders lodged to the Luxembourg Supreme Court ("Cour de Cassation") a final appeal against this judgement, restricted to a limited set of legal issues not involving RTL Group but linked to the acquisition by Bertelsmann of RTL Group shares previously owned by GBL.

On 21 February 2008, the Luxembourg Supreme Court decided to refer the matter to the European Court of Justice for a preliminary ruling procedure. The proceedings before the Luxembourg Supreme Court are stayed, pending the outcome of the procedure before the European Court of Justice.

RTL Group believes that whatever the outcome of that litigation it should not have any direct impact on the Group, because it has not been a party to that transaction (swap) and its involvement is limited to solely entering any transfer of shares into the shareholders register

Group companies are parties to other litigations, which are disclosed in the consolidated financial statements.



## **Notes to the annual accounts as at 31 December 2008**

### **Note 28 - Post balance sheet events**

On 5 March 2009, Five announced the results of a comprehensive restructuring programme resulting in significant changes to the organisation. The restructuring programme could result in up to 87 positions being impacted, out of a total of 354. Employees affected by this announcement are currently in a consultation period which may last up to three months. This announcement is the latest stage in Five's business review which has already undertaken stringent cost management across its channels allowing funds to be focused on more commercially valuable parts of the schedule, such as peak-time.

