RTL Group S.A.
Société Anonyme

Audited annual accounts
for the year ended 31 December 2012

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RTL GROUP

Table of contents

RTL GROUP

Directors' report

I. OVERVIEW

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

Against this background, RTL Group generated consolidated total revenue of €5,998 million (2011: €5,765 million), an EBITA of €1,078 million (2011: €1,134 million) and a net profit attributable to RTL Group shareholders of €597 million (2011: €696 million).

The main developments in 2012 were as follows:

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

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

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

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

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

Consistently with the past, RTL Group S.A. ("RTL Group") 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 has two major investments in CLT-UFA S.A. (99.7 per cent of share capital) and in FremantleMedia S.A. (100 per cent of share capital).

The profit of RTL Group S.A. for the year 2012 amounted to €1,854 million (2011: €170 million), mainly reflecting:

- Dividends received from subsidiaries of €1,895 million (2011: €197 million), thereof an interim dividend from CLT-UFA S.A. of €1,694 million;
- Value adjustment to the financial fixed assets of €8 million (2011: net reversal of €10 million);
- Net interest result of €10 million (2011: €7 million);
- Net operating charges and taxes of €43 million (2011: €42 million).

RTL GROUP

II. SUMMARY INCOME STATEMENT

In € million	**2012**	2011
Income		
Operating income	**2**	3
Financial income [(1)]	**1,908**	248
Total income	**1,910**	251
Charges		
Operating charges [(2)]	**46**	44
Financial charges [(3)]	**11**	33
Taxes	**(1)**	(1)
Extraordinary charges [(4)]	**-**	5
Total charges	**56**	81
Profit for the financial year	**1,854**	**170**

(1) Financial income mainly includes dividends of €1,895 million (2011: €197 million), interest income of €13 million (2011: €24 million) and in 2011 the release of the value adjustment on investments in affiliated undertakings and on loans receivable from affiliates of €25 million

(2) Operating charges mainly include staff costs of €24 million (2011: €23 million), subcontractor fees of €6 million (2011: €5 million) and consultant fees of €5 million (2011: €4 million)

(3) Financial charges include interest charges of €3 million (2011: €18 million) and value adjustments on financial assets of €8 million (2011: €15 million)

(4) Extraordinary charges in 2011 mainly included the loss from the forgiveness of loans receivable and cash pooling accounts receivables

III. OWN SHARES

RTL Group has an issued share capital of €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 €12,198,587. These shares were 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 "Result brought forward" account for an amount equivalent to the acquisition cost.

At 31 December 2012, the Company holds directly 173,300 own shares (31 December 2011: 173,300) and indirectly through a Company's subsidiary 995,401 own shares (31 December 2011: 995,401).

At 31 December 2012, RTL Group's share price, as listed on the Euronext stock exchange, was €75.50 per share (31 December 2011: €76.99).

RTL GROUP

IV. SIGNIFICANT LITIGATIONS

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

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

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

Several subsidiaries of the Group are being sued by smaller broadcasters in Germany seeking disclosure. The proceedings succeed the imposition of a fine by the German Federal Cartel Office for the abuse of market dominance with regard to discount scheme agreements ("share deals") IP Deutschland GmbH and SevenOne Media GmbH granted to media agencies in 2007. The German Federal Cartel Office argued that these discounts would create a pull of advertising clients towards the larger broadcasters of RTL Group and Pro7Sat.1 and would foreclose the advertising market for smaller less powerful broadcasters. IP Deutschland GmbH, RTL Television GmbH, VOX Television GmbH, RTL Disney Fernsehen GmbH & Co. KG and n-tv Nachrichten GmbH are being sued in this respect by RTL 2 Fernsehen GmbH & Co. KG and El Cartel Media GmbH & Co. KG before the regional court of Düsseldorf, Germany and by MTV Networks Germany GmbH as well as TeleMünchen-TV GmbH before the regional court in Munich, Germany. The claimants demand disclosure of the advertising bookings in the past in order to determine and substantiate a possible claim for damages. TeleMünchen-TV GmbH was unsuccessful in first instance. Its appeal was turned down by the higher regional court of Munich, Germany.

At the end of 2012, RTL settled two proceedings with the German Federal Cartel Office (FCO). The FCO issued these decisions on 27 December 2012. In the first decision, the FCO imposed fines totalling approximately €55 million on Pro7Sat1 and RTL Television GmbH as well as two individuals with regard to anticompetitive concerted practices regarding the encryption of digital free TV programs and signal protection measures in 2005/2006. In the second decision, Pro7Sat1 and RTL Television GmbH, RTL 2 Fernsehen GmbH & Co. KG and RTL Disney Fernsehen GmbH & Co. KG bindingly committed to the FCO to broadcast their main channels in SD-Quality unencrypted via Cable, Satellite and IPTV (except for IPTV platforms operated (i) by companies that do not have their own network or (ii) by companies, that have their own network and operate IPTV platforms outside such network) for 10 years starting from the later of 1 January 2013 or the commencement of unencrypted SD distribution by the relevant network operators. They further committed that to the extent SD signals are encrypted on IPTV platforms to not restrict recording, forwarding and skipping functionalities. Encryption of HD channels on all distribution channels remains possible and is not affected by the decision. The parties agreed to settle the case in accordance with section 32b of the German Act Against Restraints of Competition.

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

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

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

V. CORPORATE GOVERNANCE

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

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

VI. SUBSEQUENT EVENTS

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

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

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

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

VII. PROFIT APPROPRIATION

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

VIII. PRINCIPAL RISKS, UNCERTAINTIES AND OUTLOOK

Principal risks and uncertainties are disclosed in the consolidated financial statements and the related Director's report.

IX. LUXEMBOURG LAW ON TAKEOVER BIDS

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

a) Share Capital Structure

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

b) Transfer Restrictions

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

c) Major Shareholding

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

d) Special Control rights

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

e) Control system in employee share scheme

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

f) Voting Rights

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

g) Shareholders' agreement with transfer restrictions

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

h) Appointment of Board members, Amendments of Articles of Association

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

i) Powers of the Board of Directors

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

j) Significant agreements or essential business contracts

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

k) Agreements with Directors and employees

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

24 February 2013

The Board of Directors

RTL GROUP

Board of Directors

Non-Executive Directors

Thomas Rabe, Chairman (already Non-Executive Director, Chairman from 18 April 2012)
Siegfried Luther, Chairman (until 18 April 2012)
Martin Taylor[1], Vice Chairman and Chairman of Nomination and Compensation Committee

Günther Grüger (until 18 April 2012)
Thomas Hesse (appointed as from 1 January 2012)
Berndt Kundrun (from 18 April 2012)
Jacques Santer[1]
Rolf Schmidt-Holtz (from 18 April 2012)
James Singh[1], Chairman of Audit Committee

Executive Directors

Guillaume de Posch (Chief Executive Officer) (from 18 April 2012)
Anke Schäferkordt (Chief Executive Officer) (from 18 April 2012)
Gerhard Zeiler (Chief Executive Officer) (until 18 April 2012)
Elmar Heggen (Chief Financial Officer) (from 18 April 2012)

[1] Independent director

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Audit report

To the Shareholders of
RTL Group S.A.

Report on the annual accounts

We have audited the accompanying annual accounts of RTL Group S.A., which comprise the balance sheet as at 31 December 2012, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

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, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgment of the "Réviseur d'entreprises agréé", 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 "Réviseur d'entreprises agréé" 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.

pwc

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of RTL Group S.A. as of 31 December 2012, 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 management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

The Corporate Governance Statement, as included in the consolidated directors' report on the consolidated financial statements published on the Company's website www.rtlgroup.com, as of the date of this report is the responsibility of the Board of Directors. This statement is consistent, at the date of this report, with the annual accounts and includes the information required by the law with respect to the Corporate Governance Statement.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 24 February 2013

Marc Minet

Balance sheet at 31 December 2012

Denominated in Euro	Notes	**2012** €	2011(*) €
ASSETS			
Fixed assets			
Intangible assets	3.1.		
- Concessions, patents, licences, trademarks and similar rights		**583,988**	1,307,533
		583,988	1,307,533
Tangible assets	3.2.		
- Plant and machinery		**2,513**	298
- Other fixtures and fittings, tools and equipment		**172,080**	202,032
		174,593	202,330
Financial assets			
- Shares in affiliated undertakings	3.3.1.	**6,762,630,541**	6,762,536,341
- Amounts owed by affiliated undertakings	3.3.2.	**-**	110,644,430
		6,762,630,541	6,873,180,771
		6,763,389,122	6,874,690,634
Current assets			
Debtors			
- Amounts owed by affiliated undertakings			
Becoming due and payable within one year	3.4.	**1,082,028,920**	1,132,252,652
- Other accounts receivable			
Becoming due and payable within one year		**2,265,183**	2,166,130
		1,084,294,103	1,134,418,782
Transferable securities			
- Own shares	3.5.	**12,198,587**	12,198,587
Cash at bank and cash in hand	3.6.	**149,178,767**	174,087,658
		1,245,671,457	1,320,705,027
Deferred charges and derivative assets	3.10.	**60,922,196**	100,114,465
TOTAL ASSETS		**8,069,982,775**	8,295,510,126

(*) Refer to Note 2.15. The figures for the year ended 31 December 2011 have been reclassified to ensure comparatibility with the figures for the year ended 31 December 2012 presented in compliance with the elecontronic submission forms ("eCDF forms") used by the Luxembourg Trade Register and issued after the adoption of the FY 2011 accounts

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

Balance sheet at 31 December 2012

Denominated in Euro	Notes	**2012**	2011
		€	€
LIABILITIES			
Equity	3.7.		
Subscribed capital	3.7.1.	**191,900,551**	191,900,551
Share premium		**4,691,802,190**	5,314,333,243
Legal reserve	3.7.2.	**19,190,054**	19,190,054
Reserve for own shares		**12,198,587**	12,198,587
Other reserves		**7,071,800**	7,071,800
Result brought forward		-	(4,053,487)
Result for the financial year		**1,854,247,717**	170,055,129
		6,776,410,899	5,710,695,877
Provisions			
Provisions for pensions and similar obligations	3.8.	**6,561,333**	5,660,945
		6,561,333	5,660,945
Creditors			
Amounts owed to credit institutions			
- Becoming due and payable within one year		**9,788**	5,268
Trade accounts payable			
- Becoming due and payable within one year		**78,182**	791,489
Amounts owed to affiliated undertakings			
- Becoming due and payable within one year	3.9.1.	**1,190,151,446**	2,448,748,542
Tax and social security debts			
- Tax debts	3.9.2.	**292,220**	225,101
- Social security debts		**169,835**	336,339
Other accounts payable			
- Becoming due and payable within one year		**18,472,803**	20,051,444
- Becoming due and payable more than one year		**6,210,873**	2,548,219
		1,215,385,147	2,472,706,402
Deferred income and derivative liabilities	3.10.	**71,625,396**	106,446,902
TOTAL LIABILITIES		**8,069,982,775**	8,295,510,126

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

Profit and loss account for the year ended 31 December 2012

Denominated in Euro	Notes	2012 €	2011(*) €
CHARGES			
Use of merchandise, raw materials and consumable materials		**233,945**	233,547
Other external charges	4.4.	**19,686,533**	18,518,768
Staff costs	4.5.		
Salaries and wages		**22,219,409**	21,228,828
Other staff remuneration		**59,495**	-
Social security on salaries and wages		**740,467**	950,220
Supplementary pensions		**1,109,242**	988,476
Other staff costs		**8,202**	-
		24,136,815	23,167,524
Value adjustments in respect of intangible and tangible assets		**780,367**	1,011,267
Other operating charges		**1,332,399**	1,146,486
Value adjustments in respect of financial fixed assets	4.6.	**7,500,000**	14,900,000
Value adjustments in respect of financial current assets		**-**	3,990
Interest and other financial charges			
Concerning affiliated undertakings	4.7.	**2,441,028**	16,907,723
Other interest and financial charges		**1,012,169**	1,103,590
		3,453,197	18,011,313
Extraordinary charges	4.8.	**295,283**	5,430,277
Income tax		**1,575**	1,575
Other taxes not included in the previous caption		**(1,461,142)**	(1,412,544)
Profit for the financial year		**1,854,247,717**	170,055,129
TOTAL CHARGES		**1,910,206,689**	251,067,332

(*) Refer to Note 2.15. The figures for the year ended 31 December 2011 have been reclassified to ensure comparatibility with the figures for the year ended 31 December 2012 presented in compliance with the elecontronic submission forms ("eCDF forms") used by the Luxembourg Trade Register and issued after the adoption of the FY 2011 accounts

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

Profit and loss account for the year ended 31 December 2012

Denominated in Euro	Notes	2012 €	2011(*) €
INCOME			
Other operating income	4.1.	**1,986,306**	3,389,907
Income from financial fixed assets			
- Derived from affiliated undertakings	4.2.	**1,894,671,390**	225,654,536
		1,894,671,390	225,654,536
Income from financial current assets			
- Derived from affiliated undertakings	4.3.	**11,424,402**	18,069,687
- Other interest and financial income		**2,124,591**	3,952,202
		13,548,993	22,021,889
Extraordinary income	4.8.	-	1,000
TOTAL INCOME		**1,910,206,689**	251,067,332

(*) Refer to Note 2.15. The figures for the year ended 31 December 2011 have been reclassified to ensure comparatibility with the figures for the year ended 31 December 2012 presented in compliance with the elecontronic submission forms ("eCDF forms") used by the Luxembourg Trade Register and issued after the adoption of the FY 2011 accounts

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

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'Audiovisuel 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 1 January and ends on 31 December 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 SE & Co. KGaA (formerly Bertelsmann AG), the ultimate parent company of RTL Group. Bertelsmann SE & Co. KGaA is a company incorporated under German law whose registered office is established at Carl-Bertelsmann-Strasse 270, D-33311 Gütersloh, Germany. Consolidated financial statements of Bertelsmann SE & Co. KGaA may be obtained at their registered office.

2. 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 Amended Law dated 19 December 2002, determined and applied by the Board of Directors.

The annual accounts have been prepared under the historical cost convention except for items relating to foreign exchange hedging activities.

All monetary amounts in the notes are in Euro unless otherwise indicated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore fairly present the financial position and results.

The company makes estimates and assumptions that effect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2. 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.

2.3. Foreign exchange risk and derivatives

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).

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 "Deferred income and derivative liabilities" or "Deferred charges and derivative assets", respectively.

2.4. Intangible assets

Intangible assets are stated at cost less accumulated amortisation. They include EDP software amortised on a straight-line basis over their estimated useful life of three years. Where the Company considers that an intangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.5. Tangible assets

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

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

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.6. Financial assets

Shares in affiliated undertakings are recorded in the balance sheet at acquisition cost, including expenses incidental thereto. 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.

Dividends from shares in affiliated undertakings and participating interests are recognised when declared by decision of the General Meeting.

Amounts owed by affiliated undertakings and by undertakings with which the Company is linked by virtue of participating interests are recorded in the balance sheet at acquisition cost including expenses incidental thereto or nominal value. 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.

2.7. Debtors

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

2.8. Own shares

Own shares are recorded at acquisition cost and are classified as current assets. 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 "Result brought forward".

2.9. Cash at bank 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 in the same bank and a netting agreement exists with the 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 and cash in hand" at their latest official net asset values as provided by the relevant administrators.

2.10. Cash pooling arrangements

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

- The local cash pooling includes the majority of the Luxembourg subsidiaries: B&CE S.A., Broadcasting Center Europe S.A., CLT-UFA S.A., Duchy Digital S.A., FremantleMedia S.A., IP Network International S.A., IPL S.à r.l., LUXRADIO S.à r.l., Media Assurances S.A., Media Properties S.à r.l., MP B S.A., MP D S.A., MP E S.A., MP H S.A. and RTL Belux S.A. & Cie S.E.C.S. This automated cash pooling is made with a local banking institution. The conditions of the cash pooling 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 with a minimum of 0% in case of very low interest rates and +0.50% on debit margin);

- The European cash pooling comprises the following Group companies: Audiomedia Investments S.A. (Belgium), BLU A/S (Denmark), CLT-UFA S.A. (Luxembourg), Fremantle Distribution Netherlands B.V. (Netherlands), FremantleMedia Finland OY (Finland), FremantleMedia Group Ltd (United Kingdom), FremantleMedia Italia S.p.A. (Italy), FremantleMedia Polska SP Z.O.O. (Poland), FremantleMedia Sverige AB (Sweden), Immobilière Bayard d'Antin S.A. (France), IP Network SRL (Italy), IP Luxembourg S.à r.l. (Luxembourg), La Competencia Producciones S.A. (Spain), M-RTL ZRT (Hungary), RTL Belgium S.A. (Belgium), RTL Group Beheer B.V. (Netherlands), RTL Group Central and Eastern Europe S.A. (Luxembourg), RTL Group Germany S.A. (Luxembourg), RTL Hrvatska D.O.O. (Croatia), RTL Nederland Holding B.V. (Netherlands), RTL Television GmbH (Germany), Universum Film GmbH (Germany) and VOX Television GmbH (Germany). The interest rate of the cash pooling is based on EONIA, adjusted for a margin reflecting the specific risks attached to the Group companies;

- The non-European cash pooling comprises the following Group companies: FremantleMedia North America Inc. (United States), FremantleMedia Asia Pte Ltd (Singapore), Fremantle Media Australia PTY Ltd (Australia) and Ludia LLC (Canada). The interest rate of the cash pooling is based on LIBOR adjusted for a margin +0.50% to -0.25% (except for FremantleMedia Asia Pte Ltd where debit margin is 2% and Ludia LLC where the margin is +1.5% to -0.25%).

2.11. Deferred charges

The company reports under this caption expenditure incurred during the financial year but relating to a subsequent financial year.

2.12. Provisions

Provisions are intended to cover losses or liabilities, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

The Company participates in a defined benefit plan. This plan is financed internally via accruals which are determined by independent qualified actuaries using the aggregate cost method (percentage of payroll). The level of accruals exceeds the minimum financing requirement. In case of bankruptcy, the benefits are preserved through the PSVaG insolvency reinsurance.

2.13. Creditors

Creditors are recorded at their nominal value or, if applicable, their residual amount.

2.14. Deferred income

This liability item includes income received during the financial year but related to a subsequent financial year.

2.15. Presentation of comparative financial data

The figures for the year ended 31 December 2011 detailed in the table below have been reclassified to ensure comparability with the figures for the year ended 31 December 2012 presented in compliance with the electronic submission forms ("eCDF forms") used by the Luxembourg Trade Register and issued after the adoption of the FY 2011 accounts. Management do not believe that these reclassifications adversely affect the information provided.

Caption	Originally report ('000 €)	New presentation ('000 €)	Difference ('000 €)	Description
Balance sheet - Debtors				
Amounts owed by affiliated undertakings	593,589	1,132,253	+538,664	Receivables from shareholders reclassified from "Amounts owed by shareholders"
Amounts owed by shareholders	538,664	-	(538,664)	Receivables from shareholders reclassified to "Amounts owed by affiliated undertakings"
Profit and loss account - Charges				
Other external charges	19,560	18,519	(1,041)	Interest charges relating to guarantees reclassified to "Other interest and financial charges"
Other interest and financial charges	63	1,104	+1,041	Interest charges relating to guarantees reclassified from "Other external charges"
Profit and loss account - Income				
Reversal of value adjustments in respect of financial fixed assets	25,000	-	(25,000)	Reversal of impairment losses relating to affiliates reclassified to "Income from financial fixed assets derived from affiliated undertakings"
Income from financial fixed assets derived from affiliated undertakings	197,067	225,654	+28,587	Reversal of impairment losses relating to affiliates reclassified from "Reversal of value adjustments in respect of financial fixed assets" (+25,000); interest income from loans to affiliates reclassified from "Interest and other financial income derived from affiliated undertakings" (+3,587)
Interest and other financial income derived from affiliated undertakings	12,178	-	(12,178)	Interest income from cash pooling receivables reclassified to "Income from financial current assets derived from affiliated undertakings" (-8,591); interest income from loans to affiliates reclassified to "Income from financial fixed assets derived from affiliated undertakings (-3,587)
Interest and other financial income derived from shareholders	8,365	-	(8,365)	Interest income from current deposit with shareholder reclassified to "Income from financial current assets derived from affiliated undertakings"
Foreign exchange gains, net	1,113	-	(1,113)	Net foreign exchange gains related to affiliates reclassified to "Income from financial current assets derived from affiliated undertakings"
Income from financial current assets derived from affiliated undertakings	-	18,069	+18,069	Interest income from cash pooling receivables reclassified from "Interest and other financial income derived from affiliated undertakings" (+8,591); interst income from current deposit with sharehodler reclassified from "Interest and other financial income derived from shareholders" (+8,365); net foreign exchange gains relating to affiliates reclassified from "Foreing exchange gains, net" (+1,113)

3. BALANCE SHEET

3.1. Intangible assets

"Intangible assets" mainly consisted of licences which are recorded and amortised according to the policies described in Note 2.4.

In 2012, "Intangible assets" evolved as follows:

Acquisition cost at 31.12.2011	8,764,771
Acquisitions	6,543
Acquisition cost at 31.12.2012	**8,771,314**
Accumulated value adjustment at 31.12.2011	(7,457,238)
Depreciation charges for the year	(730,088)
Accumulated value adjustment at 31.12.2012	**(8,187,326)**
Net book value at 31.12.2011	**1,307,533**
Net book value at 31.12.2012	**583,988**

3.2. Tangible assets

In 2012, "Tangible assets" evolved as follows:

	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Acquisition cost at 31.12.2011	1,115	731,409	732,524
Acquisitions	2,995	19,547	22,542
Acquisition cost at 31.12.2012	**4,110**	**750,956**	**755,066**
Accumulated value adjustment at 31.12.2011	(817)	(529,377)	(530,194)
Depreciation charges for the year	(780)	(49,499)	(50,279)
Accumulated value adjustment at 31.12.2012	**(1,597)**	**(578,876)**	**(580,473)**
Net book value at 31.12.2011	**298**	**202,032**	**202,330**
Net book value at 31.12.2012	**2,513**	**172,080**	**174,593**

3.3. Financial assets

3.3.1. Shares in affiliated undertakings

In 2012, "Shares in affiliated undertakings" evolved as follows:

Acquisition cost at 31.12.2011	7,340,401,690
Acquisitions	94,200
Acquisition cost at 31.12.2012	**7,340,495,890**
Value adjustments at 31.12.2011	(577,865,349)
Value adjustments at 31.12.2012	**(577,865,349)**
Net book value at 31.12.2011	**6,762,536,341**
Net book value at 31.12.2012	**6,762,630,541**

In 2012, the Company acquired 471 shares (2011: 346 shares) in CLT-UFA S.A. for a total amount of €94,200 from individual shareholders (2011: €69,200).

Details of shares

Business Unit	Name of the company	Legal form	Country	Activity	Direct % held	Acquisition cost	Accumulated value ajustment	Net	Equity before result for the year (2011)	Result of the last period closed
FremantleMedia	FremantleMedia	S.A.	Luxembourg	Holding	100	1,830,149,349	(572,149,349)	1,258,000,000	743,615,076	(27,033,797)
	Fremantle Procutions Asia	Ltd	Hong Kong	Production	100	1,180,000	(600,000)	580,000	638,563	198
RTL Nederland	Grundy International Operations	Ltd	Netherlands Antilles	Holding	100	5,116,000	(5,116,000)	-	58,931	1,840
Other	CLT-UFA	S.A.	Luxembourg	Holding/TV/Radio	99.7	5,504,050,504	-	5,504,050,504	6,262,072,248	376,637,227
	Société Immobilière Bayard d'Antin	S.A.	France	Real Estate/Holding	0.01	37	-	37	209,882,865	76,743,136
						7,340,495,890	**(577,865,349)**	**6,762,630,541**		

Based on the valuation performed, no value adjustment was required.

3.3.2. Amounts owed by affiliated undertakings

In 2012, "Amounts owed by affiliated undertakings" evolved as follows:

Gross amount at 31.12.2011	125,544,430
Increases	7,500,000
Transfer to Debtors - Amounts owed by affiliated undertakings	(110,644,430)
Gross amount at 31.12.2012	**22,400,000**
Value adjustment at 31.12.2011	(14,900,000)
Charges for the year	(7,500,000)
Value adjustments at 31.12.2012	**(22,400,000)**
Net book value at 31.12.2011	**110,644,430**
Net book value at 31.12.2012	-

The amounts owed by affiliated undertakings are detailed as follows:

A loan of €22,400,000 granted to Alpha Doriforiki Tileorasi S.A. on 24 June 2010 and 1 February 2012, bearing interest as follows: EURIBOR plus 3.50% from 24 June 2010, 0% from 31 December 2011 and 4% from 31 December 2015. Repayments are scheduled in annual instalments of €4,500,000 from 2015 to 2018 with a final instalment for the remaining balance in 2019. The interest accrued on the loan at 31 December 2012 amounts to € nil (2011: € nil).

The loan to Alpha Doriforiki Tileorasi S.A. of €22,400,000 (2011: €14,900,000) is fully impaired given the systemic Greek crisis.

The loans to FremantleMedia Ltd of GBP 92,106,317 and FremantleMedia Brasil Ltda of BRL 2,263,846 reported under this caption at 31 December 2011 for €109,709,150 and €935,280 respectively have been transferred to "Debtors – Amounts owed by affiliated undertakings" in line with their maturity.

3.4. Debtors – Amounts owed by affiliated undertakings

3.4.1. Amounts owed by RTL Group companies

- Cash pooling with a number of group companies in multiple currencies for €606,602,080 (2011: €589,927,085) bearing interest at an adjusted EONIA rate as described in Note 2.10. above and without maturity date;

- An advance of GBP 92,106,317 (€113,183,314) originally granted to FremantleMedia Ltd on 20 August 2003, bearing interest at a rate of 1.93% and with maturity date of 20 August 2013. The interest accrued on the advance at 31 December 2012, amounts to GBP 651,011 (€799,984);

- A loan of HRK 25,000,000 (€3,322,259) granted to RTL Hrvatska D.O.O. on 27 April 2012, bearing interest at a rate of 5.16% and with maturity date of 26 April 2013. The interest accrued on the loan at 31 December 2012 amounts to HRK 292,883 (€38,921).

- A loan of SGD 5,000,000 (€3,115,459) granted to FremantleMedia Asia Pte Ltd on 17 February 2009, bearing interest at a rate of 2.60% and with maturity date of 30 December 2013. The interest accrued on the loan at 31 December 2012 amounts to € nil;

- A loan of €2,810,000 granted to La Competencia Producciones S.A. in two tranches on 30 March 2012 and 25 June 2012, bearing interest at a rate of 3.19% and with maturity date of 1 July 2013. The interest accrued on the loan at 31 December 2012 amounts to €79,676. This loan replaces the loan of €420,000 granted on 31 March 2011;

- A loan of BRL 2,263,846 (€825,016) granted to FremantleMedia Brasil Ltda on 22 August 2011, bearing interest at a rate of 13.48% and with maturity date of 10 June 2013. The interest accrued on the loan at 31 December 2012 amounts to BRL 422,147 (€153,844).

Total interest accrued on the amounts owed by affiliated undertakings at 31 December 2012 amounts to €1,072,425 (31 December 2011: €302,797).

Refer to note 4.3. for details on "Income from financial current assets derived from affiliated undertakings".

3.4.2. Amounts owed by shareholders

With the view to invest its cash surplus, in 2006, RTL Group entered into a "Deposit Agreement" with Bertelsmann SE & Co. KGaA the main terms of which are:

- Interest rates are based on an overnight basis on EONIA plus 10 basis points and on a one to six month basis on EURIBOR plus 10 basis points;

- Bertelsmann SE & Co. KGaA has granted 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 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 October 2008, all shares of its wholly owned English subsidiary Bertelsmann UK Ltd.

The interest in Gruner + Jahr AG and shares of Bertelsmann UK Ltd have also been granted as pledge by Bertelsmann SE & Co. KGaA to CLT-UFA S.A., a subsidiary of RTL Group, in connection with the accounts receivable relating to Profit and Loss Pooling and Compensation agreements of CLT-UFA S.A. with Bertelsmann SE & Co. KGaA which at 31 December 2012 amounted to €122,243,465.

At 31 December 2012, the deposit (principal amount) with Bertelsmann SE & Co. KGaA amounts to €51,019,579 (2011: €112,886,392) on an overnight basis, €300,000,000 (2011: €425,000,000) on a one to five months basis. Accrued interests amount to €78,788 (2011: €777,449). Refer to Note 4.3. for details on interest income for the year.

On 22 December 2011, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement relating to the deposit of surplus cash by RTL Group Deutschland GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group Deutschland GmbH its aggregate current partnership interest in Gruner + Jahr AG & Co. KG as well as all additional partnership interests in Gruner + Jahr AG & Co. KG it may create or acquire. At 31 December 2012, the four months deposit of RTL Group Deutschland GmbH with Bertelsmann SE & Co. KGaA amounted to €75,195,734 (2011: €50,000,000). Accrued interest on the deposit amounted to €21,292 (2011: €6,121).

3.5. Own shares

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

At 31 December 2012, the Company directly held 173,300 own shares (2011: 173,300) and indirectly through a Company's subsidiary 995,401 own shares (2011: 995,401). At 31 December 2012, RTL Group's share price, as listed on the Euronext stock exchange, was €75.50 per share (31 December 2011: €76.99).

No dividend income is recognised on own shares held by the Company.

3.6. Cash at bank and cash in hand

	2012	2011
Cash at bank and cash in hand	58,553,734	77,306,285
Money market funds	90,625,033	96,781,373
Total	**149,178,767**	**174,087,658**

Total interest income on the money market investment funds during the year amounts to €198,919 (2011: €625,188) and is recorded in "Other interest and financial income".

3.7. Equity

The changes in equity during the year are summarised in the table below:

	Subscribed capital	Share premium	Legal reserve	Reserve for own shares (Note 3.5.)	Other reserves	Result brought forward	Result for the financial year	Total
At 31.12.2010	**191,900,551**	**5,723,133,834**	**19,190,054**	**12,198,587**	**7,071,800**	**(4,053,487)**	**364,270,679**	**6,313,712,018**
Allocation of 2010 result	-	-	-	-	-	364,270,679	(364,270,679)	-
Dividend distribution	-	(408,800,591)	-	-	-	(364,270,679)	-	(773,071,270)
Profit for the financial year	-	-	-	-	-	-	170,055,129	170,055,129
At 31.12.2011	**191,900,551**	**5,314,333,243**	**19,190,054**	**12,198,587**	**7,071,800**	**(4,053,487)**	**170,055,129**	**5,710,695,877**
Allocation of 2011 result	-	-	-	-	-	170,055,129	(170,055,129)	-
Dividend distribution	-	(622,531,053)	-	-	-	(166,001,642)	-	(788,532,695)
Profit for the financial year	-	-	-	-	-	-	1,854,247,717	1,854,247,717
At 31.12.2012	**191,900,551**	**4,691,802,190**	**19,190,054**	**12,198,587**	**7,071,800**	**-**	**1,854,247,717**	**6,776,410,899**

Changes in equity can be explained by:

- The result for the financial year 2012;
- The allocation for the year ended 31 December 2011 by the Annual General Meeting of Shareholders held on 18 April 2012, which decided the allocation of the profit of the financial year 2011 for €170,055,129 to "Result brought forward" and the payment of a dividend of €788,532,695, thereof €622,531,053 from the share premium account and 166,001,642 from "Result brought forward".

3.7.1. Subscribed capital

At 31 December 2012, the subscribed capital amounted to €191,900,551 and was represented by 154,787,554 shares, all fully paid-up and without designation of nominal value. All shares had equal rights and obligations.

3.7.2. 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 of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

3.8. Provision for pensions and similar obligations

The provisions for pensions at 31 December 2012 represent commitments from the Company towards its own employees and amounts to €6,561,333 (2011: €5,660,945).

3.9. Creditors

3.9.1. Amounts owed to affiliated undertakings

"Amounts owed to affiliated undertakings" mainly consisted of:

- Cash pooling account payable with various Group companies for various currencies. At 31 December 2012, the corresponding liability amounts to €1,185,060,421 (2011: €2,403,676,736), of which €805,510,331 towards CLT-UFA S.A. (2011: €2,080,064,419). Total interest expense during the year 2012 amounts to €2,190,159 (2011: €16,300,939) (Note 4.7.);

- Short-term advances of €4,000,000 from IP Österreich GmbH (2011: €10,000,000), bearing interest at 0.148%. The interest accrued on the advance at 31 December 2012 amounts to €66 (2011: €2,273).Total interest expense during the year 2012 amounts to €250,869 (2011: €606,784) (Note 4.7.).

3.9.2. Tax debts

The Company is subject in Luxembourg to the general tax regulations applicable to all companies. The Company has received final assessments for income tax and net wealth tax up to 2009.

From 1 January 2002, the Company is part of a tax unity including other Luxembourg Group companies. Unused tax losses existing at 31 December 2012, for the tax unity in Luxembourg, amount to €4,225 m (2011: €4,221 m). In the event that one or several Group companies would have taxable income, these companies will not record income tax charges (towards RTL Group), respectively RTL Group will not record income tax profits (towards the Group companies) as long as the tax unity will benefit from unused tax losses.

3.10. Deferred charges and derivative assets / Deferred income and derivative liabilities

The amounts primarily related to the Group's foreign exchange derivatives, assets and liabilities amounting to €60,553,668 (2011: €99,583,001) and €71,625,396 (2011: €106,446,902), respectively (Note 2.3.).

4. PROFIT AND LOSS ACCOUNT

4.1. Other operating income

"Other operating income" mainly related to the recharge of services and can be broken down as follows:

	2012	2011
Recharges to Group companies		
Administrative and management services	1,692,470	2,996,312
Other	71,653	10,150
	1,764,123	**3,006,462**
Recharges to third parties		
Administrative and management services	7,679	266,004
Other	63,279	-
	70,958	**266,004**
Other	151,225	117,441
Total	**1,986,306**	**3,389,907**

4.2. Income from financial fixed assets derived from affiliated undertakings

During 2012, "Income from financial fixed assets derived from affiliated undertakings" evolved as follows:

	2012	2011
Dividends received		
CLT-UFA S.A.	1,894,671,375	196,943,970
Société Immobilière Bayard d'Antin S.A.	15	14
Grundy Holding B.V.	-	123,205
	1,894,671,390	**197,067,189**
Reversal of value adjustments in respect of financial fixed assets		
FremantleMedia S.A.	-	25,000,000
	-	**25,000,000**
Interest income		
Loans receivable from affiliated undertakings (Note 3.3.2.)	-	3,587,347
	-	**3,587,347**
Total	**1,894,671,390**	**225,654,536**

4.3. Income from financial current assets derived from affiliated undertakings

"Income from financial current assets derived from affiliated undertakings" evolved as follows:

	2012	2011
Income on cash pooling arrangements (Note 3.4.1.)	5,692,865	8,591,139
Interest on loan and advances (Note 3.4.1.)	3,048,127	-
Interest on deposit agreement with shareholder (Note 3.4.2.)	2,500,660	8,365,380
Foreign exchange gains, net	182,750	1,113,168
Total	**11,424,402**	**18,069,687**

"Foreign exchange gains, net" evolved as follows:

	2012	2011
Realised foreign exchange gains	297,856,504	198,402,873
Unrealised foreign exchange gains on assets and liabilities and on foreign currency derivatives	32,031,398	35,207,744
	329,887,902	**233,610,617**
Realised foreign exchange losses	(296,939,292)	(192,828,485)
Unrealised foreign exchange losses on assets and liabilities and on foreign currency derivatives	(32,765,860)	(39,668,964)
	(329,705,152)	**(232,497,449)**
Total	**182,750**	**1,113,168**

4.4. Other external charges

	2012	2011
General expenses	14,200,923	15,002,263
Consulting fees	5,485,610	3,516,505
Total	**19,686,533**	**18,518,768**

4.5. Staff costs

During 2012, the Company had an average of 83 employees (2011: 81) who are dedicated to corporate functions.

4.6. Value adjustments in respect of financial fixed assets

The "Value adjustments in respect of financial fixed assets" amounted to €7,500,000 (2011: €14,900,000) and related to a loan to Alpha Doriforiki Tileorasi S.A. (Note 3.3.2.).

4.7. Interest and other financial charges concerning affiliated undertakings

	2012	2011
Interest on cash pooling arrangements (Note 3.9.1.)	2,190,159	16,300,939
Interest on short-term advances from Group companies (Note 3.9.1.)	250,869	606,784
Total	**2,441,028**	**16,907,723**

4.8. Extraordinary income / (charges)

	2012	2011
Gain on disposal of shares in affiliated undertakings	-	1,000
Other	-	-
	-	**1,000**
Fine on purchase contract with group companies	(280,141)	-
Waiver of loans and cash pool accounts receivable	(15,142)	(5,430,277)
Total	**(295,283)**	**(5,430,277)**

5. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

At 31 December 2012, the principal shareholder of the Company is Bertelsmann Capital Holding GmbH, a company incorporated under German law, which holds 92.3% of the shares.

During the year 2012, all significant transactions entered into with related parties have been done at arm's length.

5.1. Transactions with shareholders

The Company has deposited a significant amount with Bertelsmann SE & Co. KGaA (Note 3.4.2.).

5.2. Transactions with key management personnel

Transactions with key management personnel can be summarised as follows:

In € million	**2012**	2011
Short-term benefits	**7.1**	6.3
Long-term benefits	**2.5**	1.2
TOTAL	**9.6**	**7.5**

5.3. Directors' fees

In 2012, a total of €528,434 (2011: €528,000) was allocated in the form of attendance fees to the members of the Board of Directors.

6. OFF-BALANCE SHEET COMMITMENTS

6.1. Outstanding forward currency contracts

At 31 December 2012, in accordance with the foreign currency management policy described in Note 2.3, 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	(29,425,109)	15,950,277
CAD	(10,855,641)	10,858,444
CHF	17,600,000	(17,600,000)
DKK	12,565,128	678,372
GBP	(45,031,063)	(31,959,385)
HRK	(122,288,000)	0
HUF	(4,905,282,540)	5,476,540,639
PLN	2,542,000	0
RON	(8,443,453)	8,948,218
SEK	2,304,500	2,732,500
SGD	(704,235)	(2,293,675)
USD	1,214,048,510	(1,219,772,954)
ZAR	(4,491,787)	4,489,287

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 accounts receivable, accounts payable, loans receivable and borrowings denominated in currencies other than € in the accounts of RTL Group.

6.2. Guarantees and other similar commitments

The Company has given guarantees to third parties on behalf of Group companies as detailed below:

	2012	2011
Guarantees and other similar commitments	171,597,889	150,072,175
Licence agreements	52,628,574	93,802,453
Long-term commitments	45,000,000	69,087,877

Guarantees and other commitments include guarantees on behalf of Five Group for an amount of €22,778,131 (2011: €58,953,259). On 23 July 2010, Five Group was sold to Northern & Shell, a group domiciled in the United Kingdom. The term of the sale agreement stipulated that RTL Group continues to provide guarantees to third parties on behalf of Five Group. Northern & Shell has provided back-to-back guarantees to RTL Group.

7. SUBSEQUENT EVENTS

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

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

- The distribution of an interim dividend amounting to €1.6 billion funded by the Group's net cash position and by debt in the form of shareholder loans from Bertelsmann provided at arm's length terms and at current market conditions. The dividends will be paid on 7 March 2013;
- A change in the Group's dividend policy, resulting in a pay-out ratio of between 50 and 75 per cent of the adjusted consolidated net profit attributable to RTL Group shareholders within the limit of the Company's distributable reserves.

MANAGEMENT RESPONSIBILITY STATEMENT

We, Anke Schäferkordt and Guillaume de Posch, Chief Executive Officers, and Elmar Heggen, Chief Financial Officer, confirm, to the best of our knowledge, that the annual accounts which have been prepared in accordance with the Luxembourg legal and regulatory requirements, give a true and fair view of the assets, liabilities, financial position and profit or loss of RTL Group S.A. and that the Directors' report includes a fair review of the development and performance of the business and the position of RTL Group S.A., together with a description of the principal risks and uncertainties that they face.

Luxembourg, 24 February 2013

Anke Schäferkordt and Guillaume de Posch
Chief Executive Officers

Elmar Heggen
Chief Financial Officer