RTL GROUP press release

Solid first-half performance

First-half EBITA again exceeds €500 million, with EBITA margin at 18.0 per cent

Luxembourg, 23 August 2012 − RTL Group, the leading European entertainment network, announces its interim results to 30 June 2012.

Highlights

In € million	Half year to June 2012	Half year to June 2011[1]	Per cent change
Revenue	**2,815**	**2,725**	**+3.3**
Underlying revenue[2]	**2,766**	**2,698**	**+2.5**
Reported EBITA[3]	**506**	**588**	**(13.9)**
Reported EBITA margin (%)	**18.0**	**21.6**	
Reported EBITA	**506**	**588**	
Impairment of investment in associates and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	(15)	(16)	
Loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(1)	−	
Net financial expense	(11)	(2)	
Income tax expense	(147)	(150)	
Profit for the period from continuing operations	**332**	**420**	
Loss for the period from discontinued operations	(1)	(38)	
Profit for the period	**331**	**382**	
Attributable to:			
Non-controlling interests	57	58	
RTL Group shareholders	**274**	**324**	
Basic EPS continuing operations (in €)	**1.80**	**2.29**	
Basic EPS discontinued operations (in €)	(0.01)	(0.18)	
Reported EPS (in €)	**1.79**	**2.11**	

Regulated information

[1] Re-presented following the application of IFRS 5 to Alpha Media Group (discontinued operations), disposed on 20 February 2012

[2] Adjusted for the disposal of radio stations in the Netherlands, the acquisition of Buienradar in the Netherlands, the acquisition of cable channels in Hungary, and other minor scope changes, and at constant exchange rates

[3] EBITA (continuing operations) represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures, impairment of investment in associates and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

Revenue growth, healthy margins in an increasingly challenging economic environment

- Reported Group revenue up 3.3 per cent to €2,815 million, reflecting higher revenue from Mediengruppe RTL Deutschland and FremantleMedia, and exchange rate effects

- At Group level first-half EBITA was €506 million
    - A higher profit contribution from the German TV operations was offset by challenging market conditions in other areas, higher investment in programming and portfolio effects
    - FremantleMedia's lower profit contribution reflected continued pressure on volumes and margins, and timing effects

- Reported EBITA margin remains at a healthy level of 18.0 per cent; EBITA margin of RTL Group's broadcasting businesses at 22.8 per cent

- Net profit attributable to RTL Group shareholders was €274 million

- Net cash from operating activities of €385 million, resulting in an operating cash conversion of 104 per cent, and a net cash position of €634 million at the end of June

- In the first half of 2012, the European TV advertising markets clearly reflected local macro-economic developments: while the German TV advertising market grew slightly, the French, Dutch and Belgian markets were estimated to be down year-on-year; in Spain, Hungary and Croatia the markets continued to see a more pronounced decline

RTL Group's strong audience performance remains key

- Mediengruppe RTL Deutschland achieved a combined audience share of 33.8 per cent among young viewers, and remained the clear market leader, 5.7 percentage points ahead of its main commercial competitor. EBITA increased by 4.5 per cent to €280 million – the profit centre's best ever first-half operating profit

- In France, Groupe M6 increased its combined audience share, both in terms of total audience and in the commercial target group. M6 was again the only major French channel to increase its audience share year-on-year. EBITA of Groupe M6 decreased to €126 million as a result of lower advertising revenue and programming investment related to the European football championship

- RTL Nederland attracted a combined prime time audience share of 32.4 per cent in the commercial target group, and increased the lead over its main commercial competitor to 12.4 percentage points. Following extraordinary results in 2011, EBITA decreased to €38 million due to a weaker TV advertising market and the scope exit of the Dutch radio stations

- FremantleMedia's EBITA decreased significantly to €40 million due to pressure from broadcasters on volumes and margins, and the timing effects of several productions that shall take place during the second half of the year

RTL Group further strengthens its core business

- On 27 March 2012, the Groupe M6 project '6ter' was selected as part of the CSA's call for tender for six new HD channels on digital terrestrial television (DTT). The new channel, to be launched in December 2012, will be a general entertainment channel for the whole family

- On 1 April 2012, Mediengruppe RTL Deutschland launched a new free-TV channel, RTL Nitro, mainly targeted at male viewers. In May, the channel already scored an audience share of 0.5 per cent among young viewers

- On 25 July 2012, FremantleMedia Enterprises and Random House announced a creative and strategic partnership to develop scripted TV programming for the United States and international markets, based on the fiction and non-fiction titles published by Random House imprints in North America and internationally

- On 3 September 2012, RTL Nederland will launch its third digital pay-TV channel, RTL Telekids

- Launch plan for first joint venture channel in India finalised. BIG-RTL Thrill will be a Hindi-language channel targeting young viewers with action-oriented content

RTL Group further grows its digital activities

- RTL Group's online platforms and on-demand offers across Europe collectively generated more than 1.2 billion video views of professionally produced content in the first half of 2012 – up 33 per cent year-on-year

- Mobile video views up 92 per cent in Germany and up 99 per cent in France

- In total, RTL Group companies have launched more than 220 mobile applications, registering 65 million downloads to date

- In June 2012, Mediengruppe RTL Deutschland and cable operator Kabel Deutschland signed a deal to distribute RTL's German family of channels in high definition. The cable operator will also offer a broad range of programmes on-demand, based on RTL's 'Now' family of catch-up TV services

- In May 2012, FremantleMedia launched 'The Pet Collective', its first channel funded by Youtube. The move is part of the company's strategy to produce original, quality programming for multiple media platforms. In July, Radical Media launched its first Youtube channel, THNKR, and in Germany, UFA will also launch two Youtube channels

“Many growth opportunities – and a clear strategy to pursue them”

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

“Following an overall stable first quarter, advertising market conditions across Europe became more challenging. Nevertheless, RTL Group has once again generated solid results, thanks to its international scope and diversified revenue streams. Our first-half EBITA has again exceeded €500 million, and we reported a healthy EBITA margin of 18.0 per cent.

Looking to the remainder of 2012, we maintain our cautious and flexible approach for the business, in particular as there is no visibility yet on the development of the TV advertising markets during the important fourth quarter. With the phasing of productions, we anticipate stronger second half earnings for our content business FremantleMedia. We again expect the Group to deliver a solid level of EBITA, although not at the record level of 2011.

Since taking over as joint CEOs of RTL Group in mid-April, we have conducted a comprehensive review of our corporate strategy. RTL Group is a very profitable company, with many growth opportunities and a clear strategy to pursue them.

Together with the management teams in our operations we have defined three main investment areas:

1. Core: to optimise and develop the existing broadcasting business and invest for growth in new territories. This includes launching new channels such as RTL Nitro and 6ter, and increasing distribution revenue from platform operators.

2. Content: to further develop and acquire intellectual property and exploitation capabilities, in particular in areas such as general entertainment, US drama, kids entertainment, gaming and online video networks. FremantleMedia will be key for this strategic goal.

3. Digital: to build sustainable new business models with strong cross-platform presence on all devices and screens, with internet properties and new on-demand services – our brands will be present wherever our audiences look for quality content.”

The half-year financial report 2012, slides from the presentation and an MP3 file will be available to download at www.rtlgroup.com/results_hy2012.aspx

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About RTL Group

RTL Group is the leading European entertainment network, with interests in 46 television channels and 29 radio stations in nine countries, and content production throughout the world. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia, Hungary and Antena 3 in Spain – the company also has interests in National Media Group in Russia. RTL Group's flagship radio station is RTL in France, and it also owns or has interests in other stations in France, Germany, Belgium, the Netherlands, Spain and Luxembourg. RTL Group's content production arm, FremantleMedia, is one of the largest international producers outside the United States. Each year, it produces 9,200 hours of programming across 58 countries.

Financial review

In Western Europe the Group experienced a largely negative advertising market environment in the first half of the year with only the German market showing slight positive growth. Markets in Central and Eastern Europe continued to show a significant negative year-on-year development.

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

	H1/2012 Net TV advertising market growth rate (%)	H1/2012 Audience share in main target group (%)	H1/2011 Audience share in main target group (%)
Germany	+1.2 [4]	33.8 [5]	35.7 [5]
France	(5.8) [6]	23.2 [7]	22.9 [7]
Netherlands	(3.5) [4]	32.4 [8]	34.1 [8]
Belgium	(8.1) [4]	37.1 [9]	37.8 [9]
Spain	(16.5) [10]	18.7 [11]	17.6 [11]
Hungary	(16.3) [4]	36.7 [12]	32.2 [12]
Croatia	(11.1) [4]	24.8 [13]	25.9 [13]

Taking the scope changes into account, and at constant exchange rates, underlying revenue increased 2.5 per cent to €2,766 million (H1/2011: €2,698 million).

Group revenue for continuing operations increased by 3.3 per cent to €2,815 million (H1/2011: €2,725 million), largely due to a good performance from Mediengruppe RTL Deutschland and FremantleMedia.

Reported EBITA for continuing operations decreased by 13.9 per cent to €506 million (H1/2011: €588 million). The reported EBITA margin was 18.0 per cent.

The Group's first-half EBITDA[14] for continuing operations was €583 million (H1/2011: €673 million), resulting in an EBITDA margin of 20.7 per cent.

Group operating expenses for continuing operations increased by 7.6 per cent to €2,334 million, compared to €2,170 million in the first half of 2011. The increase in operating costs reflects specific programme investments and also additional costs in the FremantleMedia business – which are re-charged to the respective broadcaster at no margin.

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[4] Source: Industry/IREP and RTL Group estimates; the Netherlands: spot and non-spot revenue
[5] Target group: 14−49
[6] Source: Groupe M6 estimate
[7] Target group: housewives under 50 (including digital channels)
[8] Target group: 20−49, 18−24h
[9] Target group: shoppers 18−54, 17−23h
[10] Source: Infoadex and Grupo Antena 3 estimate
[11] Target group: 16−54 (including digital channels)
[12] Target group: 18−49, prime time (H1/2012 including cable channels acquired in 2011)
[13] Target group: 18−49 (including RTL 2)
[14] EBITDA represents EBIT excluding amortisation and impairment of non-current programme and other rights, of goodwill and disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, impairment of investments in associates, gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

The impairment and amortisation loss totalling €15 million includes an impairment of €10 million against an associate company and the amortisation of fair value adjustments on acquisitions of subsidiaries (€5 million). RTL Group's holding in Grupo Antena 3, a quoted company, has been tested for an impairment as at 30 June. Given the Group's limited headroom, a sensitivity analysis was performed (see note 8 for further details).

The net financial loss of €11 million (H1/2011: loss of €2 million) reflects impairments, fair value adjustments and a net interest expense of €4 million (H1/2011: income of €nil million).

The income tax expense decreased slightly to €147 million (H1/2011: €150 million).

The profit for the period attributable to RTL Group shareholders was €274 million (H1/2011: €324 million), a decrease of 15.4 per cent.

Net cash position

The consolidated net cash position at 30 June 2012 amounted to €634 million (31 December 2011: net cash of €1,238 million; 30 June 2011: net cash of €973 million).

Main portfolio changes

On 2 January 2012, RTL Group acquired 100 per cent of Gutscheine.de HSS GmbH which operates online couponing-sites. The acquisition strengthens RTL Group's position in Germany within the online market.

Review by segments

Revenue In € million	**Half year to June 2012**	**Half year to June 2011**	**Per cent change**	**Per cent of total 2012**
Mediengruppe RTL Deutschland	933	889	+4.9	33.1
Groupe M6	711	720	(1.3)	25.3
FremantleMedia	720	621	+15.9	25.6
RTL Nederland	208	233	(10.7)	7.4
RTL Belgium	108	109	(0.9)	3.8
French radio	89	89	–	3.2
Other segments	143	166	(13.9)	5.1
Eliminations	(97)	(102)		(3.5)
Total revenue	**2,815**	**2,725**	**+3.3**	100.0

EBITA In € million	**Half year to June 2012**	**Half year to June 2011**	**Per cent change**	**Per cent of total 2011**
Mediengruppe RTL Deutschland	280	268	+4.5	55.3
Groupe M6	126	149	(15.4)	24.9
FremantleMedia	40	72	(44.4)	7.9
RTL Nederland	38	59	(35.6)	7.5
RTL Belgium	25	29	(13.8)	4.9
French radio	13	16	(18.8)	2.6
Other segments	(16)	(5)	n.a.	(3.1)
Reported EBITA	**506**	**588**	**(13.9)**	100.0

EBITA margins in %	**Half year to June 2012**	**Half year to June 2011**	**Percentage point change**
Mediengruppe RTL Deutschland	30.0	30.1	(0.1)
Groupe M6	17.7	20.7	(3.0)
FremantleMedia	5.6	11.6	(6.0)
RTL Nederland	18.3	25.3	(7.0)
RTL Belgium	23.1	26.6	(3.5)
French radio	14.6	18.0	(3.4)
Other segments	n.a.	n.a.	
RTL Group	**18.0**	**21.6**	**(3.6)**

Mediengruppe RTL Deutschland

In € million	Half year to June 2012	Half year to June 2011	Per cent change
Revenue	**933**	**889**	**+4.9**
EBITA	**280**	**268**	**+4.5**

<u>Financial results</u>

In the first half of 2012, Mediengruppe RTL Deutschland continued to outperform the German TV advertising market – which was estimated to be up 1.2 per cent – and increased its combined net share (including RTL II) to 44.2 per cent (H1/2011: 43.6 per cent).

Overall revenue of Mediengruppe RTL Deutschland grew by 4.9 per cent to €933 million (H1/2011: €889 million), while EBITA was up 4.5 per cent to €280 million (H1/2011: €268 million) – the unit's best ever first-half operating profit, despite higher investments in programming.

<u>Audience ratings</u>

The combined average audience share of **Mediengruppe RTL Deutschland** in the key 14 to 49 target group amounted to 33.8 per cent (H1/2011: 35.7 per cent) – including the new channel RTL Nitro which was launched in April. The RTL family of channels was clearly ahead of its main commercial competitor (28.1 per cent) and the public broadcasters (22.9 per cent).

With an audience share of 16.7 per cent in the target group of viewers aged 14 to 49 during the first six months of 2012, **RTL Television** remained the viewers' number one choice with a large margin – 5.4 percentage points ahead of the second highest-rated channel, Pro Sieben. RTL Television was also the leading channel in terms of total audiences, together with ZDF (both: 12.7 per cent) but ahead of ARD/Das Erste (12.5 per cent).

RTL Television scored high ratings across all genres, from entertainment shows, live sporting events and daily soaps, to factual entertainment and fiction formats, while its big TV events continued to reach mass audiences. At the beginning of the year, the sixth season of *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity… Get Me Out Of Here!) attracted an average 6.69 million viewers. The average audience share among viewers aged 14 to 49 amounted to 37.7 per cent.

On Easter Sunday, the movie *Avatar* was watched by an average 7.04 million viewers, the audience share among young viewers was 35.0 per cent. Live broadcasts of eight Formula One races in the reporting period reached an average total audience share of 33.8 per cent. Up to 12.92 million viewers tuned in to the boxing match Vitali Klitschko vs Dereck Chisora in February, which attracted 56.5 per cent of the total audience.

On average 25.7 per cent of the viewers aged 14 to 49 tuned in to RTL Television's talent show *Deutschland sucht den Superstar*. The sixth season of *Rach, der Restauranttester* registered a new record high with an average audience share of 22.7 per cent in the target group of 14 to 49 year-old viewers.

The daily series *Gute Zeiten, Schlechte Zeiten* (Good Times, Bad Times) celebrated its 5,000th episode in May and attained an average audience share of 20.7 per cent during the reporting period among viewers aged 14 to 49.

RTL Television's main news programme, *RTL Aktuell*, was watched by an average of 18.3 per cent of the viewers aged 14 to 49 and thus remained the most popular news format among young audiences.

In the first half of 2012, **Vox**'s audience share in the target group of 14 to 49 year-old viewers was 7.4 per cent (H1/2011: 7.5 per cent). The channel's new daytime programming in particular proved popular with viewers. In the time slots between 8:00 and 17:00, Vox increased its average audience share by around 40 per cent year-on-year. Especially well received are the scripted reality format *Verklag mich doch* with an average audience share of 8.6 per cent and *Shopping Queen*, which reached an average 6.4 per cent of viewers aged 14 to 49.

The channel's Saturday documentaries continued to achieve good ratings. The four-hour Saturday documentary *Thank You For The Music – 40 Years Of Abba* marking the Swedish pop group's anniversary on 2 June scored an audience share of 12.1 per cent among viewers aged 14 to 49.

In access prime time, *Das perfekte Dinner im Schlafrock* – the sleepover special of the cooking show *Come Dine With Me* – attained its second-highest ratings since going on air, attracting an audience share of 13.2 per cent in the key target group during the reporting period. The daily edition of the celebrity magazine *Prominent!*, aired at 20:00, proved again its popularity with a new ratings record, reaching an average audience share of 8.5 per cent in the target group.

The new US series *Rizzoli & Isles* has settled well into the channel's Wednesday crime line-up. The average audience share in the target group was 8.7 per cent in the first half of 2012.

During the first half of 2012, **RTL II** attracted 6.1 per cent of the viewers aged 14 to 49 (H1/2011: 5.5 per cent). *Berlin – Tag & Nacht* which airs in access prime time increased its audience share to an average of 10.0 per cent among young viewers.

RTL II's varied programming during prime time also resonated well with viewers, who enjoyed its innovative event-scale transmission of *Game Of Thrones – Das Lied von Eis and Feuer* on a single weekend. The fantasy series scored an average audience share of 9.7 per cent in the target group, and gave the channel its best Sunday prime time ratings (20:15-23:15) since August 2010 and best Saturday prime time ratings since January 2009.

The channel's docu soaps were popular during prime time as well: for example, *Die Geissens – Eine schrecklich glamouröse Familie*, which follows the unusual daily life of a family of self-made millionaires, was watched by an average 9.0 per cent of viewers aged 14 to 49 in the first six months of the year.

With an audience share of 23.7 per cent in its target group of 3 to 13-year-olds during the time from 06:00 to 20:15, **Super RTL** remained well ahead of its two competitors, Kika (22.5 per cent) and Nickelodeon (11.6 per cent). The channel has been the clear leader in the German children's TV market for 14 consecutive years.

Super RTL's pre-school strand, *Toggolino*, scored high average audience shares in the target group with formats such as *Gustav* (40.4 per cent) and *Mickey Mouse Clubhouse* (34.7 per cent). In daytime, cartoon-formats such as *Gummi Bears* (27.2 per cent) and *Zig & Sharko* (24.0 per cent) continued to perform well.

N-TV attracted an average audience share of 1.1 per cent among viewers aged 14 to 49 during the reporting period. In prime time, N-TV attracted viewers with the ten-part documentary series *Alltag unterm Hakenkreuz*. The premiere of this elaborate in-house production gives a down-to-earth view of National Socialism and World War II through previously unreleased private images and recordings. Noted academics analysed the amateur footage from the front and home front. As many as 2.0 per cent of 14- to 49-year-olds tuned in to watch.

New media and diversification activities

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

During the first half of 2012, the catch-up TV services RTL Now, Vox Now, RTL II Now, Super RTL Now and RTL Nitro Now registered 253 million views of long-form content – complete episodes of series or shows – up 94 per cent year-on-year. This increase was mainly due to the launch of the new offers RTL II Now and RTL Nitro Now.

Combining these on-demand platforms with the clip portal *Clipfish.de*, the newly launched Clipfish Music HbbTV and Mediengruppe RTL Deutschland's channel and thematic websites, the number of video views of professionally produced content increased by 40 per cent to 634 million.

Including all mobile portals and applications of Mediengruppe RTL Deutschland's portfolio, mobile page impressions were up 71 per cent to 2.4 billion, while mobile video views were up 92 per cent to 69 million. As a part of these figures, apps from the news channel N-TV – together with *Mobil.N-TV.de* – generated up to 213 million page impressions per month, and a total of 1.2 billion page impressions in the first half of 2012. With up to 396,000 unique mobile users per month, N-TV's I-Phone ranks first among German news apps.

At the end of February, RTL Interactive launched the new app RTL Inside, which was downloaded 500,000 times by 30 June 2012. RTL Inside is the first app by a German broadcaster that synchronously links additional information about the linear TV programme with video and social TV options across several media. The application links to social networks to support fans' interaction as they watch TV formats.

RTL Interactive also strengthened its transaction-based businesses during the reporting period. In January, the company acquired *Gutscheine.de* which offers several thousand online discount vouchers, promotions and local coupons – one of the largest selections on the German internet. In February, RTL Interactive expanded its Gamechannel platform internationally with the launch of *Gamechannel.fr* in France.

With more than two million fans on its Facebook page, which is produced by RTL II's online editorial team, *Berlin – Tag & Nacht* is Germany's most popular TV format on the social network.

Groupe M6

In € million	Half year to June 2012	Half year to June 2011	Per cent change
Revenue	**711**	**720**	**(1.3)**
EBITA	**126**	**149**	**(15.4)**

Financial results

In the first half of 2012, Groupe M6's reported revenue was slightly down by 1.3 per cent to €711 million (H1/2011: €720 million). While the company's diversification and audiovisual rights revenue remained stable, Groupe M6's total advertising revenue decreased by 2.2 per cent. Forty per cent of Groupe M6's consolidated revenue originated from a broad range of non-advertising activities, underlining its position as a leader in the field of diversification.

The French net TV advertising market was estimated to be down by 5.8 per cent in the reporting period, due to a significant slowdown over the second quarter, with Groupe M6 again clearly outperforming the market and increasing its estimated net share.

Based on significantly lower profit contributions from its main channel M6 – as a result of lower advertising revenue and higher programming costs for the European football championship – reported EBITA of Groupe M6 decreased by 15.4 per cent to €126 million (H1/2011: €149 million).

Audience ratings

Thanks to its complementary family of channels, the combined total audience share of Groupe M6 increased to 15.6 per cent over the period (H1/2011: 14.8 per cent). In the main commercial target group of housewives aged under 50, the combined audience share was also up, to 23.2 per cent (H1/2011: 22.9 per cent).

M6 remained the second most popular channel in France among housewives under 50, reporting an audience share of 17.3 per cent (H1/2011: 17.1 per cent). This made M6 again the only major channel to increase its ratings, in an environment which is still marked by ongoing audience fragmentation. As a consequence, M6 continued to reduce the gap to the market leader, TF1. In terms of total audience share (11.4 per cent), M6 remained the third most popular channel.

M6 particularly increased its ratings in access prime time, with the main news show *Le 19:45* and the short drama series *Scènes de ménages*. On average, *Le 19:45* gained 840,000 viewers year-on-year, making it the news show with the biggest audience increase. With an average audience share of 27.1 per cent in the commercial target group and 15.6 per cent of the total audience, *Scènes de ménages* achieved the channel's best ever ratings in the 20:00 time slot ever. The series has become the most watched programme in the 20:00 time slot among viewers aged under 50, all channels included.

M6's most popular prime time format was the seventh season of the romantic docu-soap *L'amour est dans le pré* (The Farmer Wants A Wife) which achieved an average audience share of 37.3 per cent in the commercial target group, making M6 the market leader among all target groups on Monday evenings. Since its first season, the format has consistently improved its ratings. The second highest-rated format was *Top Chef*, which reached up to 5.5 million viewers with its season finale. The programme increased its average audience by 500,000 viewers during the third season. Other established brands in prime time include *Pékin Express*, factual entertainment formats with a focus on lifestyle such as *D&Co* and *Maison à vendre* (House For Sale) and the long-running information magazines *Capital*, *Zone Interdite* and *Enquête Exclusive*.

Groupe M6's main digital channel, **W9**, remained the most watched digital terrestrial (DTT) channel in the key commercial target group, with a stable average audience share of 4.1 per cent among housewives aged under 50. Underlining its positioning as a 'mini-generalist' channel, W9 scored high ratings in various genres, including movies, magazines such as *Enquête d'action*, factual entertainments formats, reality TV shows and live broadcasts of Uefa Europa League football matches. The reality format *La belle et ses princes* gathered an average audience of 1.2 million viewers, and has become the highest-rated reality format among all DTT channels.

In the pay-TV environment, Groupe M6's channels confirmed their leading positions in their key target groups. Among the 92 thematic channels in the Médiamétrie survey Médiamat Thématik – which measures TV audiences among French households equipped with cable, satellite or IPTV – **Paris Première** was the most-watched channel in the strategic prime time slot, 20:45 to 24:00, while **Téva** was again the top choice of housewives aged under 50 (audience share: 1.4 per cent).

<u>New media and diversification activities</u>

The catch-up TV services **M6 and W9 Replay** – available on both computer and television via virtually all cable, IPTV and satellite packages in France – registered 292 million online video views in the first half of 2012, up 13 per cent year-on-year. By the end of June 2012, the M6 app for I-Pad and I-Phone had registered more than 3.4 million downloads.

In July 2012, Groupe M6 launched a new version of Replay's mobile apps and services for the channels M6 and W9. This revamped catch-up TV service not only offers social TV and continuous viewing functions that are synchronised across all media, but also affords access to a second screen service, dubbed *Devant ma TV* (In Front Of My TV). The new version of Replay allows users to comment on and interact with a programme whenever they want. For example, they can make recommendations on social networks such as Facebook, let others know what they're up to, watch the videos most frequently viewed by their friends or even instantaneously state their opinion on the performance of a contestant on *La France a un Incroyable Talent* (Got Talent) and vote.

During the first half of 2012, **M6 Web** reached an average audience of 12.2 million unique users per month across its network of 40 internet sites, up 8.0 per cent year-on-year.

The **M6 Mobile by Orange** service had reached 2.0 million customers by the end of June 2011, and has maintained this level of customers, despite the launch of the mobile service "Free" on the French market in January 2012, while the M6-branded payment card had over 837,000 customers (end of June 2011: 550,000 customers).

FremantleMedia

In € million	Half year to June 2012	Half year to June 2011	Per cent change
Revenue	**720**	**621**	**+15.9**
EBITA	**40**	**72**	**(44.4)**

Financial results

Revenue of FremantleMedia – RTL Group's production and brand exploitation arm – increased by 15.9 per cent to €720 million (H1/2011: €621 million), driven by exchange rate effects and recharges without margins to third parties for certain production contracts. Despite this growth, FremantleMedia reported a significantly lower EBITA of €40 million (H1/2011: €72 million), mainly due to continued pressure from broadcasters on margins and volumes, and the timing effects of several productions that shall take place during the second half of the year.

Production businesses

In the first half of 2012, FremantleMedia continued to produce the highest-rated entertainment shows in the biggest TV markets worldwide – including the US, the UK, Germany, Australia, the Netherlands, France – along with a strong stable of top-rated and long-running drama series.

In the **US**, *American Idol* – co-produced and co-owned by FremantleMedia North America and 19 Entertainment – continued to be the number one entertainment series, winning an average audience of 17.4 million viewers in its eleventh season. *American Idol* has been the number one entertainment series in the US for the past nine years. Returning for its seventh season, *America's Got Talent* (launched in May) is already the number two series on NBC so far this year with an average audience of 10.8 million viewers.

Broadcast since 1972, *The Price Is Right* continues to be a ratings hit, ranking as the number one daytime game show in the US with an average audience of 4.7 million viewers during the first six months of 2012. On 27 January, Original Productions' *Bering Sea Gold*'s premiere episode was the highest-rated series launch ever on the Discovery Channel watched by 3.7 million viewers. The game show *Total Blackout* is the most watched entertainment show on the Syfy channel for 2012, watched by a peak audience of 1.4 million viewers on 9 May 2012.

In the **UK**, season six of *Britain's Got Talent* – co-produced by FremantleMedia UK's label Thames and Syco – is the country's number one series for 2012, winning an average audience of 11.0 million viewers, up 3 per cent on the previous-year season.

Returning to UK screens in the spring, *The Apprentice* – a Mark Burnett format produced by FremantleMedia UK's label Boundless – is the second highest-rated entertainment series on BBC One for 2012. On average, the show attracted an audience share of 26.5 per cent. *Celebrity Juice* had its best season yet in 2012, winning an average audience of 2.8 million viewers – 27 per cent higher than the previous season. With a total audience share of 12.7 per cent, *Celebrity Juice* continues to rank as the highest-rated programme ever on ITV 2.

Launched in January, *Take Me Out* on ITV 1 is the number one dating show in the UK for the third year running. Produced by FremantleMedia UK's label Thames, *Take Me Out* attained an average audience share of 38.3 per cent among viewers aged 16 to 34. New launches this year include *Keith Lemon's Lemonaid* (on ITV 1) and *Britain Unzipped* (on BBC Three).

In **Germany**, season nine of *Deutschland sucht den Superstar* (Idols, co-owned with 19 TV) ranked as the third highest-rated entertainment series on RTL Television so far this year, and attracted an audience share of 25.7 per cent among viewers aged 14 to 49. Successfully airing on RTL Television since 1992, *Gute Zeiten, schlechte Zeiten* (Good Times, Bad Times) continued to be Germany's most successful serial drama in the first half of 2012, winning an average audience of 3.5 million viewers.

In **Australia**, *Neighbours* – broadcast on Eleven – is the highest-rated drama across all free-to-air digital channels, scoring an average audience share of 6.9 per cent. The second season of *Celebrity Apprentice* which aired on Network 9 from April to May 2012 won a total audience share of 17.9 per cent. Among viewers aged 16 to 39, the show attained an average audience share of 21.0 per cent. New launches this year include *The Price Is Right* on Network Seven.

FremantleMedia's formats have continued to travel well. In the first half of 2012, *Got Talent* was the most travelled format, launching in four new territories: Colombia, Canada, Ecuador and Kyrgyzstan. *Total Blackout* travelled to three new territories (Russia, Lithuania and the United States) and is now in 13 territories. *The X Factor* also travelled to three new countries (Albania, Slovenia and The Philippines) taking its total to 32.

Digital and gaming

In June 2012, FremantleMedia launched "The Pet Collective", its first Youtube channel as part of the platform's Premium Channel line-up; the move is part of the company's strategy to produce original, quality programming for evolving media platforms. The channel brings together three core divisions of FremantleMedia's business – FremantleMedia North America, FremantleMedia Enterprises (FME) and FremantleMedia Cross Platforms (FMX) – and leverages their combined expertise, assets and business strategies to engage with consumers, advertisers and distribution partners. On 2 July 2012, FremantleMedia company Radical Media launched its first Youtube channel THNKR, featuring new series and programming focussed on knowledge, education and ideas that are changing the world. In addition, FremantleMedia's German arm UFA will launch two Youtube channels in Germany.

Social gaming company Ludia reached 1.5 million daily active users across mobile and social platforms in the first half of the year, and now has more than 35 applications on the I-Tunes App Store with over 30 million downloads to date.

FremantleMedia Enterprises (FME)

Throughout the first six months of 2012, FME announced a raft of international sales for the US cable drama series *Wedding Band*, which has been picked up by broadcasters in Australia, Canada, UK, the Middle East and North Africa, Denmark, Norway, Sweden and Finland; and *Hit and Miss*, the latest drama to come out of FME's first-look deal with UK writer/producer Paul Abbott (Abbott Vision), which has sold to 14 broadcasters in countries including Australia, New Zealand and Israel, following on the heels of a sale to Direc TV in the US.

In July 2012, FME and Random House announced a creative and strategic partnership to develop scripted TV programming for the United States and international markets, based on the fiction and non-fiction books published by Random House imprints in North America and internationally.

Tree Fu Tom, a major new property coming out of FME's Kids and Family Entertainment division, launched in March on CBeebies (the BBC's children's content channel) in the UK and quickly became the channel's number one show of the year. At Licensing International Expo in June, FME announced a deal with leading European Toy Company Giochi Preziosi for the *Tree Fu Tom* Master Toy rights. FME also announced a host of international TV sales to territories including Italy, Norway, Finland, Canada and Belgium.

FME set a new precedent in 2012 for acquiring content for both digital and linear platforms when it announced a major new first-look deal with Hulu for international distribution rights to the online video service's original commission programming. This is the first time an international distributor has signed such an agreement with an online video service.

The *American Idol* brand was taken into new licensing areas through a series of deals across new product categories. An agreement with Kohl's, LF USA and Bravado saw the creation of an *American Idol* inspired fashion range: Authentic Icon. The Authentic Icon collection is exclusively available in Kohl's stores across the US.

RTL Nederland

In € million	Half year to June 2012	Half year to June 2011	Per cent change
Revenue			
TV	208	206	+1.0
Radio	–	27	n.a.
Total	**208**	**233**	**(10.7)**
EBITA			
TV	38	50	(24.0)
Radio	–	9	n.a.
Total	**38**	**59**	**(35.6)**

Financial results

The Dutch TV advertising market[15] was estimated to be down 3.5 per cent over the period. After a slight decrease during the first quarter, the market declined significantly over the second quarter. Following an exceptional year 2011, RTL Nederland achieved a market share of 47.1 per cent in the first half of 2012 (H1/2011: 48.4 per cent). The decrease is mainly due to the fact that the public broadcasters presented the live matches of the European football championship in June.

[15] Spot and non-spot revenue

Total revenue at RTL Nederland decreased to €208 million (H1/2011: €233 million), mainly reflecting the deconsolidation of the Dutch radio stations Radio 538, Radio 10 Gold and Slam FM after the unwind of the transaction with Talpa Media Holding closed in December 2011. With the shortfall of profit contributions from its radio activities, lower TV advertising revenue and higher TV programming costs, the EBITA of RTL Nederland decreased to €38 million (H1/2011: €59 million).

Audience ratings

RTL Nederland's family of channels achieved a combined prime-time audience share of 32.4 per cent in the main commercial target group of viewers aged 20 to 49, down from the first half of 2011 (34.1 per cent) – mostly due to the broadcast of the European Football Championship on the public broadcasters in June. For the period January to May 2012, RTL Nederland's audience share in the same target group remained stable at 33.6 per cent.

During the whole reporting period, however, RTL Nederland increased the lead over its main commercial competitor, SBS Group (20.0 per cent), to 12.4 percentage points and remained clearly ahead of the public broadcasters (29.9 per cent).

As in the previous year, the ratings performance was driven by the flagship channel **RTL 4**, which grew its audience share by 0.5 percentage points to 19.8 per cent in its main target group of shoppers aged 20 to 49 (H1/2011: 19.3 per cent). In January 2012, RTL 4 scored its best January ratings since 1997.

On Fridays RTL 4 commands a very strong position with its talent shows *The Voice Of Holland* (average audience share among shoppers aged 20 to 49: 49.5 per cent), *The Voice Kids* (40.3 per cent) and *Holland's Got Talent* (34.6 per cent). In addition, RTL 4's new drama series *Moordvrouw* was very well received on Friday right after the talent shows, as were *Van der Vorst Ziet Sterren* and *Big Fat Gipsy Weddings*. RTL 4's access prime time – with *RTL Boulevard*, *Goede Tijden, Slechte Tijden* and *RTL Nieuws* – delivered strong ratings once again. The summer campaign *De Zomer van 4* premiered during the European football championship with the episodes of *VI Oranje*. Against the public broadcaster, which attracted large audiences with the live broadcasts of the matches, *VI Oranje* attracted an average audience share of 21.2 per cent right after the matches.

RTL 5 scored an audience share of 7.0 per cent in the 20- to 34 year-old demographic, down from 9.1 per cent in the first six months of 2011. Dutch productions are the most popular shows on RTL 5, including *Barbies Bruiloft* and *In love With Sterretje* which attracted 20.2 per cent and 13.8 per cent of the young viewers respectively. *Echte meisjes Op Zoek Naar Zichzelf* and *Britt & Ymke* also did very well, with audience shares of 13.8 per cent and 10.2 per cent respectively. On Sundays, RTL 5 scored good ratings with *The Ultimate Dance Battle* (average audience share: 12.3 per cent).

The men's channel **RTL 7** achieved an average audience share of 7.2 per cent among men aged 20 to 49 (H1/2011: 8.0 per cent). Europa League football games regularly attract more than 30 per cent of viewers in the target group, while Formula One races score audience shares of more than 35 per cent on a regular basis. **RTL 8** reported an audience share of 2.8 per cent among female viewers aged 20 to 49 in the first half of 2012 (2011: 3.1 per cent).

The reach of the digital channels **RTL Lounge** and **RTL Crime** was 6.0 million viewers and 3.5 million viewers respectively in the target group of viewers aged 6 and above. RTL Lounge is the second most popular digital channel in its target group of female viewers aged 13 and above, with a reach of 3 million viewers in this demographic.

New media and diversification activities

RTL Nederland's network of websites – including the general portal *RTL.nl*, the on-demand platform *RTLXL.nl*, the weather portal *Buienradar.nl*, and a variety of websites dedicated to popular formats – increased its average number of unique visitors per month by 32 per cent to 17.3 million (H1/2011: 13.0 million).

The number of video views grew in total by 26 per cent to 233 million in the first half of 2012. The most popular formats were episodes of the soap *Goede Tijden, Slechte Tijden*, the talent show *The Voice Kids*, and clips from *RTL Nieuws*, *RTL Boulevard* and *RTL Z*. The mobile app for RTL XL generated 28.6 million video views.

In February, the online restaurant reservation portal *Couverts.nl* launched an app that makes reserving a table even more easier. By the end of June, the app had registered 255,000 downloads.

RTL Ventures is RTL Nederland's central division for new business activities in new consumer markets. In early 2012, the division has entered into partnership with the internet entrepreneur Laurens Groenendijk and the Scandinavian fashion company Miinto. The Dutch joint venture is part of the international roll-out of the Miinto concept, scheduled to launch in August 2012.

RTL Belgium

In € million	**Half year to June 2012**	**Half year to June 2011**	**Per cent change**
Revenue			
TV	79	83	(4.8)
Radio	29	26	+11.5
Total	**108**	**109**	**(0.9)**
EBITA			
TV	12	16	(25.0)
Radio	13	13	–
Total	**25**	**29**	**(13.8)**

Financial results

The net TV advertising market in French-speaking Belgium was estimated to be down 8.1 per cent, with RTL Belgium performing in line with the market. Total revenue of the profit centre decreased slightly by 0.9 per cent to €108 million (H1/2011: €109 million) as higher radio revenue partly compensated for lower TV advertising revenue. Total EBITA of RTL Belgium decreased to €25 million (H1/2011: €29 million), reflecting lower TV advertising revenue and slightly increasing costs.

Audience ratings

The combined prime time audience share of the RTL family of TV channels in the target group (shoppers aged 18 to 54) decreased slightly to 37.1 per cent (H1/2011: 37.8 per cent). However, its lead over the public channels remained high, at 17.7 percentage points. In terms of total audience, the RTL family aired 69 of the top 100 programmes in the reporting period.

RTL-TVI – the market-leading channel in French-speaking Belgium – achieved a prime time audience share of 27.6 per cent in the target group (H1/2011: 29.5 per cent), 11.0 percentage points ahead of the second highest rated channel, the French commercial broadcaster TF1. The public broadcasters gained significant audience share in the first half of 2012, by showing the live matches of the European football championship. **Plug RTL** reported a prime time audience share among young viewers aged 15 to 34 of 4.2 per cent, up significantly year-on-year (H1/2011: 2.9 per cent), while **Club RTL** ended the first half of 2012 with a prime time audience share of 6.2 per cent in its main target group of male viewers aged 18 to 54 (H1/2011: 5.9 per cent).

According to the most recent CIM audience survey, covering January to March 2012, the Belgian radio family had a combined audience share of 31.2 per cent (January to March 2011: 30.8 per cent), with **Bel RTL** being the number one radio station in the French community (audience share: 16.1 per cent) and **Radio Contact** being the leading music radio station and the overall number two in the market (audience share: 15.1 per cent).

New media and diversification activities

In the first half of 2012, the number of video views across RTL Belgium's websites doubled to 31 million (H1/2011: 15 million), driven by news content and major TV shows. In February, RTL Belgium's New Media team launched second-screen applications for its three TV channels for the I-Pad. These allow viewers to comment on programmes as they are being broadcast, to participate in surveys, and to view additional information or photo albums. By the end of June, the applications had registered more than 130,000 downloads. In July, the applications were launched for the I-Phone, and for Android smartphones.

French radio

In € million	Half year to June 2012	Half year to June 2011	Per cent change
Revenue	**89**	**89**	**n.a.**
EBITA	**13**	**16**	**(18.8)**

Financial results

In a net radio advertising market estimated to be down 2.9 per cent, the French radio profit centre reported stable revenue of €89 million. The net advertising share of the RTL radio family increased slightly to 26.6 per cent (H1/2011: 26.5 per cent). Reported EBITA of the French radio profit centre was down to €13 million (H1/2011: €16 million).

Audience ratings

Following record ratings in the first half of 2011, the combined audience share of RTL Group's French radio family was down by 1.3 points to 18.3 per cent (H1/2011: 19.6 per cent) in the latest audience survey (Médiamétrie April to June 2012).

The audience share of the flagship station **RTL** was 11.6 per cent (April to June 2011: 12.1 per cent). Contrary to expectations, the French presidential election campaign at the beginning of the year was not favourable to general-interest stations, with the exception of the public station. However, in terms of audience share RTL remained the leading French radio station, 4.1 percentage points ahead of the next commercial competitor.

All national music radio networks lost ratings during the period, except NRJ and RFM. **Fun Radio**'s audience share decreased to 3.8 per cent from the record 4.3 per cent achieved in the corresponding period in 2011. **RTL 2** gained 65,000 listeners in cumulated audience year-on-year, but did not achieve the same record in time spent listening as in 2011 – as a consequence, its audience share decreased to 2.9 per cent (April to June 2011: 3.2 per cent).

New media and diversification activities

RTL Radio's website, *RTL.fr*, has confirmed its position as the number one radio site in France, achieving an average of 3.3 million unique visitors per month in the first half of 2012 (H1/2011: 2.7 million). In the May web ratings, *RTL.fr* achieved its highest audience performance with more than 4 million unique visitors. According to the catch-up radio studies published by Médiamétrie, RTL Radio achieved the highest increase among French radio stations for the first half of 2012: the number of downloads increased by 31 per cent to an average of 4.3 million per month. I-Pad applications for RTL 2 and Fun Radio are now available, and the applications for the main station RTL will be updated in the second half of the year.

Other segments

This profit centre comprises the fully consolidated businesses RTL Klub (Hungary), RTL Hrvatska (Croatia), and RTL Group's Luxembourgish activities, plus UFA Sports, the Corporate Centre, the German radio business and the at-equity participation in Grupo Antena 3 (Spain).

RTL Klub in Hungary: In the first half of 2012, the Hungarian net TV advertising market continued to decline signifcantly, by an estimated 16.3 per cent. This difficult economic environment, combined with the ongoing fragmentation of the highly competitive Hungarian TV market, underlines the rationale of RTL Group's acquisition of seven cable channels in 2011 to build a complementary family of channels and maintain overall market leadership in Hungary.

The combined TV advertising market share of the main channel RTL Klub and the newly acuired RTL cable channels was 53.6 per cent. This compares to RTL Klub's market share of 48.7 per cent in the first half of 2011.

Total consolidated revenue of the profit centre was €45 million (H1/2011: €48 million) as revenue from the cable channels did not fully compensate the significant decrease of RTL Klub's advertising sales. Total EBITA was €3 million (H1/2011: €5 million), helped by profit contributions from the RTL cable channels.

The combined prime time audience share of the new RTL family of channels in the key demographic of 18 to 49-year-old viewers was 36.7 per cent. Following a very strong year 2011, the prime time audience share of RTL Klub decreased to 24.0 per cent (H1/2011: 32.2 per cent). However, the profit centre's flagship channel remained the clear market leader, 5.8 percentage points ahead of its main commercial competitor TV2. The talent show *Csillag születik* and the daily soap *Barátok közt* (Among Friends) continued to deliver ratings above the channel's average audience share.

The RTL cable channels – which include strong brands such as Cool and Film Plus – achieved a combined prime time audience share of 12.7 per cent among young viewers. This represents an increase of 25.7 per cent compared to the first half of 2011. The general entertainment channel Cool was the country's number one cable channel, scoring a prime time audience share of 6.2 per cent (H1/2011: 4.5 per cent), followed by Film Plus with 4.7 per cent (H1/2011: 4.2 per cent).

The catch-up TV service RTL Most registered 26 million video views in the reporting period (H1/2011: 36 million video views).

RTL Hrvatska in Croatia: In a TV advertising market that fell by an estimated 11.1 per cent in the reporting period, revenue of RTL Hrvatska decreased to €15 million (H1/2011: €18 million). The profit centre's net TV advertising market share decreased to 38.0 per cent (H1/2011: 40.3 per cent), while EBITA was down to minus €4 million (H1/2001: minus €1 million).

RTL Hrvatska operates two free-to-air channels, RTL Televizija and RTL 2. The combined audience share of the two channels in the key commercial target group of viewers aged 18 to 49 was 24.8 per cent (H1/2011: 25.9 per cent). The profit centre's flagship channel, RTL Televizija, achieved an average audience share of 20.1 per cent among young viewers, down from 21.1 per cent in the first half of 2011. This decrease was due to further fragmentation of the market with the launch of new national channels.

The third season of the docu soap *Ljubav je na selu* (The Farmer Wants A Wife), produced by FremantleMedia and broadcast on RTL Televizija, scored an average audience share of 36.4 per cent in the target audience, its highest ratings yet. The first season of *Ruza Vjetrova*, RTL Hrvatska's first local prime time daily drama series, finished on a high note, attracting 33.0 per cent of its target audience. The series also became the most-watched series on the on-demand platform *RTLSada.hr*. The flagship channel's main news programme, *RTL Danas*, broadcast daily at 18.30, continued to draw large audiences, with an average audience share of 30.6 per cent among young viewers.

RTL 2 remained the most-watched second-generation channel in the country, reporting an average audience share of 4.7 per cent in the key target group. In June, the channel scored its best ratings since its launch in January 2011, despite the European football championship. In prime time, the channel scored an average audience share of 6.1 per cent (June 2011: 3.6 per cent). US sitcom series such as *Modern Family*, *The Big Bang Theory* and *Two And A Half Men* proved to be particularly popular with Croatian viewers in prime time.

In total, the profit centre's websites registered 2 million online video views during the reporting period, including more than 500,000 video views from its newly launched catch-up TV platform, RTL Sada. The service provides the opportunity for time-shifted viewing of all locally produced shows of RTL Televizija and RTL 2.

Grupo Antena 3 in Spain: The Spanish TV advertising market declined strongly by an estimated 16.5 per cent in the first six months of 2012. However, Grupo Antena 3 again clearly outperformed the market, with the company's TV advertising sales decreasing by 7.4 per cent. As a result, the company's net share of the Spanish TV advertising market increased to 33.2 per cent (H1/2011: 30.1 per cent).

The main channel, Antena 3, increased its audience share in the commercial target group of viewers aged 16 to 54 years to 12.2 per cent (H1/2011: 11.3 per cent). Including its digital channels Neox, Nova and Nitro, the Grupo Antena 3 family grew its combined audience share to 18.7 per cent in the target group (H1/2011: 17.6 per cent).

On a 100 per cent basis, consolidated revenue of Grupo Antena 3 was down to €385 million (H1/2011: €421 million), while operating profit (EBITDA) decreased to €34 million (H1/2011: €78 million) and net profit fell to €18 million (H1/2011: €54 million).

The profit share of RTL Group was €4 million (H1/2011: €12 million).

Principal risks and uncertainties

RTL Group derives the majority of its revenue from the various advertising markets in which the Group operates. This is an area highly exposed to the general economic conditions and consumer confidence. In Western Europe the Group experienced a largely negative advertising market environment in the first half of the year while markets in Central and Eastern Europe continued to show a significant negative year-on-year development. Visibility remains very limited, especially for the important last quarter.

The state of the advertising markets is just one of the key operational drivers of the Group. Other drivers include audience share, advertising market share and the overall level of programme cost. Should any of these key drivers change substantially compared to the Group's position as at 30 June 2012 then the Group would be impacted − either positively or negatively − in the second half of the year.

The Group continues to monitor its cost base closely but cannot rule out increased programme investments, should the competitive landscape require it, which would have a negative short-term impact on earnings. The launch of new channels by the Group's operating units will also involve programme and other investments which will, in the short-term, have a negative impact on earnings.

The 2011 Annual Report sets out the most significant risk factors and litigations relating to RTL Group's operations at the time of that report. RTL Group does not consider that these principal risks and uncertainties have changed in a material way.

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

Major related party transactions

RTL Group's major related party transactions are with its largest shareholder, Bertelsmann SE & Co. KGaA, on an arm's length basis. The related party transactions cover two main areas: financing and tax. Financing is provided to Bertelsmann SE & Co. KGaA, by RTL Group, using a mixture of overnight and short-term (one to three months) deposits.

The main related party transaction concerning tax concerns the tax pooling of its indirect subsidiary RTL Group Deutschland GmbH (“RGD”) into Bertelsmann Capital Holding GmbH (“BCH”), a direct subsidiary of Bertelsmann SE & Co. KGaA. RGD entered into a Profit and Loss Pooling Agreement (“PLP Agreement”) with BCH for a six-year period starting 1 January 2008. Simultaneously, Bertelsmann SE & Co. KGaA entered into a Compensation Agreement with CLT-UFA, a direct subsidiary of RTL Group, providing for the payment to CLT-UFA of an amount compensating the above transfer and an additional commission (“Commission”) amounting to 50 per cent of the tax saving based upon the taxable profit of RGD.

Bertelsmann SE & Co. KGaA grants to RTL Group a number of its assets as security for all payments linked to the above deposits and receivable linked to the PLP Agreement.

Management does not expect any major changes to the terms and conditions governing these related party transactions for the remainder of 2012. Further detail on related party transactions can be found in note 12 to the condensed consolidated interim financial information.

Subsequent events

In March 2012, following a tender process in which six new licences were awarded, the French media authority selected one of the projects presented by Groupe M6. The new licence is for a free DTT HD channel and the first broadcast of “6ter” is planned for December 2012.

On 2 August 2012 RTL Group received the official shareholder certificate of BIG RTL Broadcast Private Limited. This completes all the necessary clearance and approval formalities which means the Group is able to proceed with the launch of its joint venture cable channel in India. The channel is scheduled to launch imminently.

Outlook

RTL Group is not expecting the difficult and volatile economic conditions to ease over the remainder of the year. The summer months of July and August are, in absolute terms, small months in terms of advertising revenue and do not provide any indication as to what will happen in the fourth quarter. As in previous years, this last quarter will be important when it comes to determining the Group’s overall result. With the phasing of productions, RTL Group anticipates stronger second half earnings for its content business FremantleMedia. Overall, RTL Group expects to deliver a solid level of EBITA, although not at the record level of 2011.

Condensed consolidated interim financial information
As at and for the six months ended 30 June 2012

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
For the six months ended 30 June

In € million	**2012**	2011**
Continuing operations		
Revenue	**2,815**	2,725
Other operating income	**14**	13
Consumption of current programme rights	**(905)**	(814)
Depreciation, amortisation and impairment	**(79)**	(88)
Other operating expenses	**(1,350)**	(1,268)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**(5)**	(9)
Loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**(1)**	-
Profit from operating activities	**489**	559
Share of results of associates	**1**	13
Earnings before interest and taxes ("EBIT")	**490**	572
Interest income	**7**	12
Interest expense	**(11)**	(12)
Financial results other than interest	**(7)**	(2)
Profit before taxes	**479**	570
Income tax expense	**(147)**	(150)
Profit for the period from continuing operations	**332**	420
Discontinued operations		
Loss for the period from discontinued operations	**(1)**	(38)
Profit for the period	**331**	382
Attributable to:		
RTL Group shareholders	**274**	324
Non-controlling interests	**57**	58
	331	382

EBITA* (continuing operations)	**506**	588
Impairment of investment in associates	**(10)**	(7)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**(5)**	(9)
Loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**(1)**	-
Earnings before interest and taxes ("EBIT")	**490**	572

Earnings per share from continuing operations (in EUR)		
- Basic	**1.80**	2.29
- Diluted	**1.80**	2.29
Earnings per share from discontinued operations (in EUR)		
- Basic	**(0.01)**	(0.18)
- Diluted	**(0.01)**	(0.18)
Earnings per share (in EUR)		
- Basic	**1.79**	2.11
- Diluted	**1.79**	2.11

* EBITA represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures, impairment of investments in associates and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

** Re-presented (see note 2)

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

In € million	**2012**	2011
Profit for the period	**331**	382
Other comprehensive income		
Foreign currency translation differences	**6**	-
Foreign currency translation differences - associates	**1**	(1)
Effective portion of changes in fair value of cash flow hedges	**21**	(41)
Income tax	**(7)**	9
	14	(32)
Change in fair value of cash flow hedges transferred to profit or loss	**(11)**	(4)
Income tax	**3**	1
	(8)	(3)
Fair value gains / (losses) on available-for-sale financial assets	**4**	(5)
Income tax	**(1)**	-
	3	(5)
Defined benefit plan actuarial gains / (losses)	**(23)**	7
Income tax	**5**	(2)
	(18)	5
Other comprehensive income for the period, net of income tax	**(2)**	(36)
Total comprehensive income for the period	**329**	346
Attributable to :		
RTL Group shareholders	**282**	288
Non-controlling interests	**47**	58
Total comprehensive income for the period	**329**	346

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

In € million

	Notes	30 June 2012	31 December 2011 *
Non-current assets			
Programme and other rights		**122**	119
Goodwill		**2,672**	2,662
Other intangible assets		**202**	201
Property, plant and equipment		**349**	358
Investments in associates	8	**320**	356
Loans and other financial assets	9	**259**	249
Deferred tax assets		**359**	361
		4,283	4,306
Current assets			
Programme rights		**969**	927
Other inventories		**32**	34
Income tax receivable		**76**	57
Accounts receivable and other financial assets		**1,748**	2,131
Cash and cash equivalents		**448**	701
		3,273	3,850
Assets classified as held for sale	10	**10**	31
Current liabilities			
Loans and bank overdrafts		**33**	42
Income tax payable		**80**	100
Accounts payable		**2,174**	2,156
Provisions		**242**	240
		2,529	2,538
Liabilities directly associated with non-current assets classified as held for sale	10	**-**	57
Net current assets		**754**	1,286
Non-current liabilities			
Loans		**11**	11
Accounts payable		**283**	317
Provisions		**147**	114
Deferred tax liabilities		**56**	57
		497	499
Net assets		**4,540**	5,093
Equity attributable to RTL Group shareholders		**4,081**	4,596
Equity attributable to non-controlling interests		**459**	497
Equity		**4,540**	5,093

* Re-presented (see note 2)
The accompanying notes form an integral part of this condensed consolidated interim financial information

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June

In € million	Share capital	Share premium	Treasury shares	Currency translation reserve	Hedging reserve	Revaluation reserve	Retained earnings	Equity attributable to RTL Group shareholders	Equity attributable to non-controlling interests	Total equity
Balance as at 1 January 2011	**192**	**6,454**	**(44)**	**(148)**	**19**	**96**	**(1,556)**	**5,013**	**584**	**5,597**
Total comprehensive income:										
Profit for the period	-	-	-	-	-	-	324	324	58	**382**
Foreign currency translation differences	-	-	-	(2)	-	-	-	(2)	1	**(1)**
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	(31)	-	-	(31)	(1)	**(32)**
Change in fair value of cash flow hedges transferred to profit or loss, net of tax	-	-	-	-	(3)	-	-	(3)	-	**(3)**
Fair value losses on available-for-sale financial assets, net of tax	-	-	-	-	-	(5)	-	(5)	-	**(5)**
Defined benefit plan actuarial gains, net of tax	-	-	-	-	-	-	5	5	-	**5**
	-	-	-	(2)	(34)	(5)	329	288	58	**346**
Capital transactions with owners:										
Dividends	-	-	-	-	-	-	(768)	(768)	(112)	**(880)**
Equity-settled transactions, net of tax	-	-	-	-	-	-	1	1	2	**3**
Transactions on non-controlling interests without a change in control	-	-	-	-	-	-	(2)	(2)	-	**(2)**
Transactions on non-controlling interests with a change in control	-	-	-	-	-	-	-	-	(6)	**(6)**
	-	-	-	-	-	-	(769)	(769)	(116)	**(885)**
Balance as at 30 June 2011	**192**	**6,454**	**(44)**	**(150)**	**(15)**	**91**	**(1,996)**	**4,532**	**526**	**5,058**
Balance as at 1 January 2012	**192**	**6,454**	**(44)**	**(150)**	**52**	**76**	**(1,984)**	**4,596**	**497**	**5,093**
Total comprehensive income:										
Profit for the period	-	-	-	-	-	-	274	274	57	**331**
Foreign currency translation differences	-	-	-	8	-	-	-	8	(1)	**7**
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	14	-	-	14	-	**14**
Change in fair value of cash flow hedges transferred to profit or loss, net of tax	-	-	-	-	(8)	-	-	(8)	-	**(8)**
Fair value losses on available-for-sale financial assets, net of tax	-	-	-	-	-	10	-	10	(7)	**3**
Defined benefit plan actuarial gains, net of tax	-	-	-	-	-	-	(16)	(16)	(2)	**(18)**
	-	-	-	8	6	10	258	282	47	**329**
Capital transactions with owners:										
Dividends	-	-	-	-	-	-	(783)	(783)	(89)	**(872)**
Equity-settled transactions, net of tax	-	-	-	-	-	-	1	1	2	**3**
Transactions on non-controlling interests without a change in control	-	-	-	-	-	-	(12)	(12)	1	**(11)**
Transactions on non-controlling interests with a change in control	-	-	-	-	-	-	-	-	1	**1**
Transactions on treasury shares of associates	-	-	-	-	-	-	(3)	(3)	-	**(3)**
	-	-	-	-	-	-	(797)	(797)	(85)	**(882)**
Balance as at 30 June 2012	**192**	**6,454**	**(44)**	**(142)**	**58**	**86**	**(2,523)**	**4,081**	**459**	**4,540**

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

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
For the six months ended 30 June

In € million	**2012**	2011*
Cash flows from operating activities (including discontinued operations)		
Profit before taxes from continuing operations	**479**	570
Loss before taxes from discontinued operations	**(1)**	(37)
	478	533
Adjustments for :		
- Depreciation and amortisation	**82**	92
- Value adjustments, impairment and provisions	**74**	58
- Equity-settled share-based payments expenses	**3**	3
- (Gain) / loss on disposal of assets	**(26)**	(1)
- Financial results including net interest expense and share of results of associates	**42**	6
Use of provisions	**(45)**	(38)
Working capital changes	**2**	(34)
Income taxes paid	**(225)**	(156)
Net cash from operating activities	**385**	463
- thereof from discontinued operations	***(3)***	*(10)*
Cash flows from investing activities (including discontinued operations)		
Acquisitions of :		
- Programme and other rights	**(39)**	(37)
- Subsidiaries and joint ventures net of cash acquired	**1**	(33)
- Other intangible and tangible assets	**(48)**	(54)
- Other investments and financial assets	**(30)**	(19)
Current deposit with shareholder	**(25)**	-
	(141)	(143)
Proceeds from the sale of intangible and tangible assets	**-**	4
Disposal of subsidiaries and joint ventures net of cash disposed of	**(2)**	(1)
Proceeds from the sale of associates, other investments and financial assets	**33**	8
Current deposit with shareholder	**384**	270
Interest received	**8**	10
	423	291
Net cash from investing activities	**282**	148
- thereof used in discontinued operations	***(2)***	*(1)*
Cash flows from financing activities (including discontinued operations)		
Interest paid	**(18)**	(4)
Transaction with non-controlling interests	**(5)**	(2)
Proceeds from loans	**8**	22
Repayment of loans	**(42)**	(37)
Net change in bank overdraft	**5**	5
Dividends paid	**(869)**	(877)
Net cash used in financing activities	**(921)**	(893)
- thereof used in discontinued operations	***(20)***	*6*
Net increase / (decrease) in cash and cash equivalents	**(254)**	(282)
Cash and cash equivalents at beginning of period	**701**	841
Effect of exchange rate fluctuation on cash held	**1**	(2)
Effect of cash in disposal group held for sale	**-**	(4)
Cash and cash equivalents at end of period	**448**	553

* Re-presented (see note 2)
The accompanying notes form an integral part of this condensed consolidated interim financial information

Notes to the condensed consolidated interim financial information

1. Reporting entity and statement of compliance

RTL Group S.A., the parent company, is domiciled and incorporated in Luxembourg. This condensed consolidated interim financial information is presented in accordance with the requirements of IAS 34 Interim Financial Reporting as adopted by the European Union and should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2011.

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

This condensed consolidated interim financial information was approved by the Board of Directors on 22 August 2012.

2. Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011.

Alpha was not a discontinued operation at 30 June 2011. The comparative income statement and the cash flow statement have been re-presented to show the discontinued operation separately from continuing operations (see note 4).
Additionally, following the completion of the purchase price allocation during the first half of 2012 for the Hungarian language cable channels, comparative information in the statement of financial position as of 31 December 2011 has been re-presented for intangible assets and deferred tax (see note 6).

(a) Amended standards and interpretations adopted on the Group

The following amended standard is mandatory for the first time for the financial period beginning 1 January 2012, but has a very limited impact for the Group:

- IFRS 7 (amendments), “Financial instruments: disclosures” on transfers of assets – effective for annual period beginning on or after 1 July 2011.

(b) Effective amended standards not yet adopted by the Group

- IAS 12 (amendments), “Deferred tax: recovery of underlying assets” – effective from 1 January 2012 (1);
- IFRS 1 (amendments), “Severe hyperinflation and removal of fixed dates for first-time adopters” – effective from 1 July 2011 (1).

(c) New standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following new standards and amendments have been published but are not effective for the Group's accounting period beginning on 1 January 2012. The Group is yet to assess their impacts.

- IFRS 9, "Financial instruments" – effective for annual reporting periods beginning on or after 1 January 2013 (1);
- IFRS 10, "Consolidated financial instruments" – effective from 1 January 2013 (1);
- IFRS 11, "Joint arrangements" – effective from 1 January 2013 (1);
- IFRS 12, "Disclosures of interests in other entities" – effective from 1 January 2013 (1);
- IFRS 13, "Fair value measurement" – effective from 1 January 2013 (1);
- IAS 28 (revised), "Associates and joint ventures" – effective from 1 January 2013 (1);
- Improvements to International Financial Reporting Standards 2011 – effective from 1 January 2013 (1).

The following new interpretations and amendments to standards have been published but are not effective for the Group's accounting period beginning on 1 January 2012 and are expected to have a limited impact for the Group:

- IAS 1 (amendments), "Financial Statement presentation" regarding other comprehensive income – effective from 1 July 2012;
- IAS 19 (amendments), "Employee benefits" – effective from 1 January 2013;
- IAS 27 (revised), "Separate financial statements" – effective from 1 January 2013 (1);
- IFRIC 20, "Stripping costs in the production phase of a surface mine" – effective from 1 January 2013 (1);
- IFRS 7 (amendments), "Financial instruments: disclosures" on offsetting financial assets and financial liabilities – effective from 1 January 2013 (1);
  IAS 32 (amendments), "Financial instruments: presentation" on offsetting financial assets and financial liabilities – effective from 1 January 2014 (1).

(1) These standards and interpretations have not been yet endorsed by the European Union.

3. Accounting estimates and judgements

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

In preparing these condensed consolidated interim financial information the significant judgements made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2011.

4. Discontinued operations

On 20 February 2012, RTL Group disposed of Alpha which was presented as a discontinued operation at 31 December 2011.

In € million	**2012 June**	2011* June
Revenue	**4**	26
Other operating income	**1**	-
Consumption of current programme rights	**(1)**	(22)
Depreciation, amortisation and impairment	**-**	(7)
Other operating expenses	**(7)**	(28)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**-**	(4)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**2**	(1)
Loss from operating activities	**(1)**	(36)
Earnings before interest and taxes ("EBIT")	**(1)**	(36)
Net interest expense	**-**	(1)
Loss before taxes	**(1)**	(37)
Income tax expense	**-**	(1)
Loss for the period from discontinued operations	**(1)**	(38)

EBITA (discontinued operations)	**(3)**	(31)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**-**	(4)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**2**	(1)
Earnings before interest and taxes ("EBIT")	**(1)**	(36)

In € million	**2012 June**
Assets classified as held for sale	**(29)**
Liabilities directly associated with non-current assets classified as held for sale	**35**
Non-controlling interests	**(1)**
Accumulated other comprehensive income recognised in the income statement	**-**
Net assets disposed of	**5**
Direct cost associated with the disposal of Alpha	**(3)**
Less:	
Deferred payment of direct costs associated with the disposal of Alpha	**1**
Payments on prior year on disposal of Alpha	**1**
Cash outflow on disposal of discontinued operations	**(1)**

* Re-presented

5. Segment reporting

	Mediengruppe RTL Deutschland		Groupe M6		FremantleMedia		RTL Nederland		RTL Belgium		French Radio		Other segments		Eliminations		Total Group	
In € million, for the period ended	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June* 2011	**June 2012**	June 2011	**June 2012**	June 2011
Revenue from external customers	**932**	887	**705**	715	**650**	544	**208**	233	**108**	109	**88**	88	**124**	149			**2,815**	2,725
Inter-segment revenue	**1**	2	**6**	5	**70**	77	**-**	-	**-**	-	**1**	1	**19**	17	**(97)**	(102)	**-**	-
Total Revenue	**933**	889	**711**	720	**720**	621	**208**	233	**108**	109	**89**	89	**143**	166	**(97)**	(102)	**2,815**	2,725
Profit/(Loss) from operating activities	**274**	261	**122**	141	**39**	72	**38**	58	**25**	29	**13**	16	**(22)**	(18)	**-**	-	**489**	559
Share of results of associates	**6**	7	**-**	-	**(10)**	(7)	**-**	-	**-**	-	**-**	-	**5**	13			**1**	13
EBIT	**280**	268	**122**	141	**29**	65	**38**	58	**25**	29	**13**	16	**(17)**	(5)	**-**	-	**490**	572
EBITA (continuing operations)	**280**	268	**126**	149	**40**	72	**38**	59	**25**	29	**13**	16	**(16)**	(5)	**-**	**-**	**506**	588
Impairment of investment in associates	**-**	-	**-**	-	**(10)**	(7)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	**-**	**(10)**	(7)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	**-**	-	**(4)**	(8)	**-**	-	**-**	(1)	**-**	-	**-**	-	**(1)**	-	**-**	**-**	**(5)**	(9)
Gain / (loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**-**	-	**-**	-	**(1)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	**-**	**(1)**	-
EBIT	**280**	268	**122**	141	**29**	65	**38**	58	**25**	29	**13**	16	**(17)**	(5)	**-**	-	**490**	572
Interest income																	**7**	12
Interest expense																	**(11)**	(12)
Financial results other than interest																	**(7)**	(2)
Income tax expense																	**(147)**	(150)
Profit for the period from continuing operations																	**332**	420

	Mediengruppe RTL Deutschland		Groupe M6		FremantleMedia		RTL Nederland		RTL Belgium		French Radio		Other segments		Eliminations		Total Group	
In € million	**June 2012**	December 2011	**June 2012**	December 2011	**June 2012**	December 2011	**June 2012**	December 2011	**June 2012**	December 2011	**June 2012**	December 2011	**June 2012**	December* 2011	**June 2012**	December 2011	**June 2012**	December 2011
Segment assets (Assets classified as held for sale and associates excluded)	**1,411**	1,458	**1,538**	1,486	**1,740**	1,680	**310**	342	**176**	172	**169**	179	**541**	548	**(140)**	(141)	**5,745**	5,724
Investments in associates	**46**	60	**-**	-	**-**	9	**-**	-	**-**	-	**-**	-	**274**	287	**-**	-	**320**	356
Assets classified as held for sale	**-**	-	**-**	-	**7**	-	**-**	-	**-**	-	**-**	-	**3**	23	**-**	-	**10**	23
Segment assets	**1,457**	1,518	**1,538**	1,486	**1,747**	1,689	**310**	342	**176**	172	**169**	179	**818**	858	**(140)**	(141)	**6,075**	6,103
Segment liabilities (Liabilities directly associated with non-current assets classified as held for sale excluded)	**775**	776	**681**	656	**551**	488	**118**	123	**114**	117	**66**	76	**264**	283	**(140)**	(142)	**2,429**	2,377
Liabilities directly associated with non-current assets classified as held for sale	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	33	**-**	-	**-**	33
Segment liabilities	**775**	776	**681**	656	**551**	488	**118**	123	**114**	117	**66**	76	**264**	316	**(140)**	(142)	**2,429**	2,410
Invested capital	**682**	742	**857**	830	**1,196**	1,201	**192**	219	**62**	55	**103**	103	**554**	542	**-**	1	**3,646**	3,693
Segment assets																	**6,075**	6,103
Deferred tax assets																	**359**	361
Income tax receivable																	**76**	57
Other assets																	**608**	957
Assets classified as held for sale																	**-**	8
Cash and cash equivalents																	**448**	701
Total Assets																	**7,566**	8,187
Segment liabilities																	**2,429**	2,410
Deferred tax liabilities																	**56**	57
Income tax payable																	**80**	100
Other liabilities																	**461**	503
Liabilities directly associated with non-current assets classified as held for sale																	**-**	24
Total Liabilities																	**3,026**	3,094

* Re-presented

6. Acquisitions and disposals

June 2012

Gutscheine.de HSS GmbH

On 2 January 2012, RTL Group acquired 100 per cent of Gutscheine.de HSS GmbH operating online couponing-sites. The acquisition strengthens RTL Group's position in Germany within the online market. The transaction qualified as a business combination since RTL Group gained the control of *Gutscheine.de*. The purchase accounting did not lead to recognition of additional identifiable assets and liabilities. The purchase consideration, net of cash acquired, amounts to €3 million resulting in the recognition of a goodwill of €3 million. An amount of €2.5 million was already cashed-out in 2011. At 30 June 2012, the contingent consideration based on a variable performance component included in an earn-out mechanism amounts to €0.5 million.

2011

Hungarian language cable channels

On 20 December 2011, RTL Group gained the control of a portfolio of seven Hungarian language cable channels. The purchase consideration was reduced by €1 million (to €89 million) following working capital adjustments agreed between the seller and RTL Group in May 2012. The purchase accounting, determined on a provisional basis in 2011 and completed during the first half of 2012 resulted in a goodwill of €78 million.
The following identifiable assets and liabilities have been recognised:

- The brand names "Cool", "Reflektor", "F+", "Film2", "Sorozat+", "Muzsika" et "Prizma" for an amount of €2 million;
- The customer relationships for an amount of €7 million;
- A related deferred tax liability for an amount of €1 million.

In € million	Carrying amount at date of gain of control	Incremental value	Fair value at date of gain of control
Cash and cash equivalents	(1)	-	(1)
Other intangible assets	3	9	12
Current programme rights	4	-	4
Accounts receivable and other financial assets	4	-	4
Accounts payable	(7)	-	(7)
Deferred tax liabilities	-	(1)	(1)
Net assets acquired	**3**	**8**	**11**
Goodwill			78
Total purchase consideration			**89**
Purchase price adjustment			1
Cash and cash equivalents in operations acquired			1
Cash outflow on acquisitions			**91**

7. Seasonality of operations

RTL Group’s revenue is generally lower in the summer months due to a reduction in advertising spend although this is compensated by higher advertising revenue in the run up to the Christmas period.

8. Investments in associates

The investment in the associate Ad Society has been fully impaired at 30 June 2012 generating a loss of €10 million on the basis of the current performance and of the refusal of shareholders to provide additional funding unless the financial performance will be improved. An impairment loss had already been recognised in 2011 for an amount of €8 million.

Antena 3 is a quoted company and the value of the Group’s shareholding, based on the share price at 30 June 2012, amounts to €91 million below the carrying amount (31 December 2011: €46 million). Management has reviewed the investment for potential impairment and retained an approach based on a discounted cash flow (“DCF”) model. The model is calculated based on the local management’s business plan, which reflects a weaker macro-economic environment compared to the 2011 estimates, and on a stand-alone basis without considering a merger with La Sexta.

The headroom over the carrying amount (€250 million) is €6 million as at 30 June 2012 (€57 million as at 31 December 2011). A reduction by 1 point in the EBITA margin, in revenue growth for the second semester 2012 and each of the following years, in the perpetual growth rate and an increase in the discount rate would have resulted in an impairment loss of €77 million:

Decrease of one point in:	
EBITA margin	**(15)**
Revenue growth	**(17)**
Perpetual growth rate	**(18)**
Increase of one point in the discount rate	**(33)**

Some associates of the German radio business unit have been classified as assets held for sale (see note 10).

9. Loans and other financial assets

On 13 January 2012, Groupe M6 has disposed of its 9.1 per cent interest in Summit Entertainment following the sale of the studio to Lions Gate. RTL Group has recognised a capital gain from the disposal of €20 million presented in “Financial results other than interest” and received a 0.4 per cent interest in Lions Gate. This available-for-sale investment is listed on the New York Stock Exchange and presented in level 1 according to the IFRS7 guidance.

Non-current ‘Loans and other financial assets’ include €20 million placed during the first half of 2012 under an escrow account by the Football Club des Girondins de Bordeaux for the benefit of the city of Bordeaux. This amount bears interest of 1.6 per cent per annum up till the delivery of the new stadium which is expected in 2015. At that time the amount will be paid to the partners in charge of the construction.

10. Non-current assets classified as held for sale and Liabilities directly associated with non-current assets classified as held for sale

Management decided to proceed with the sale of:

- a building owned in London by FremantleMedia; and
- a shareholding held at 16 per cent in a German radio station through the disposal of associated companies; the sale will be subject to the approval of cartel and media authorities.

Non-current assets classified as held for sale, disposal group:

In € million

	30 June 2012	31 December 2011
Non-current assets		
Other intangible assets	**-**	8
Property, plant and equipment	**7**	11
Investments in associates	**3**	-
	10	19
Current assets		
Programme rights	**-**	20
Income tax receivable	**-**	4
Accounts receivable and other financial assets	**-**	55
Cash and cash equivalents	**-**	4
	-	83
Impairment of disposal group	**-**	(71)
	10	31

Liabilities directly associated with non-current assets classified as held for sale:

In € million

	30 June 2012	31 December 2011
Current liabilities		
Loans and bank overdrafts	**-**	20
Income tax payable	**-**	1
Accounts payable	**-**	23
	-	44
Non-current liabilities		
Accounts payable	**-**	8
Provisions	**-**	5
	-	13
	-	57

11. Dividends

An ordinary dividend in respect of the financial year 2011 of €5.10 per share (2010: €5.00 per share) was declared by the Annual General Meeting held on 18 April 2012. RTL Group parent company's dividend amounted to €789 million (2010: €773 million).

12. Related party transactions

Financing

As at 30 June 2012, RTL Group had various deposits (overnight and up to three months) amounting to €229 million (December 2011: €588 million) with Bertelsmann SE & Co. KGaA. These deposits bear an interest rate of either EONIA or EURIBOR plus 10 basis points depending on the duration of the deposit. The overnight deposit has subsequently been rolled over. The total interest income on these deposits for the period ended 30 June 2012 amounted to €2 million (June 2011: €4 million).

The total amount of the deposit does not exceed 60 per cent of the latest available fair value of the pledged assets presented below.

Tax

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

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

As at 30 June 2012, the balance payable to BCH amounts to €216 million (December 2011: €278 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €186 million (December 2011: €209 million). Payments related to 2011 have been simultaneously done on 8 May 2012.

For the period ended 30 June 2012, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €59 million (June 2011: €60 million). The Commission amounts to €29 million (June 2011: €30 million).

Pledge

The shares of Media Communications SAS, shares of Media Finance Holding SL, interests in Gruner + Jahr AG & Co KG and shares of Bertelsmann UK Ltd had been granted as pledge by Bertelsmann SE & Co. KGaA to RTL Group S.A. in connection with the deposit agreement entered into by the two companies on 23 August 2006 as subsequently modified on 28 February 2007 and 17 July 2007.

On 25 November 2008, the shares of Bertelsmann UK Ltd and, on 18 February 2009, the interests in Gruner + Jahr AG & Co KG have been also granted as pledge by Bertelsmann SE & Co. KGaA to CLT-UFA S.A. related to the Compensation Agreement signed by the two companies on 1 August 2008.

Management re-values the pledges on a regular basis.

13. Subsequent events

In March 2012, the French media authority has chosen 6ter, a new HD free channel owned by Groupe M6 and targeting families. The first broadcast is planned in December 2012.

On 2 August 2012, RTL Group received the official shareholder certificate of BIG RTL Broadcast Private Limited. This completes all the necessary clearance and approval formalities which mean the Group is able to proceed with the launch of its joint venture cable channel in India. The channel is scheduled to launch imminently.

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 condensed consolidated interim financial information which has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position and profit or loss of RTL Group and that the interim management report includes a fair review of the information required under Art.4 §4 of the Luxembourg Transparency Law of 11 January 2008.

Luxembourg, 22 August 2012

Anke Schäferkordt	Guillaume de Posch	Elmar Heggen
Chief Executive Officer	Chief Executive Officer	Chief Financial Officer

Report on review of the condensed consolidated interim financial information

To the Shareholders of
RTL Group S.A.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of RTL Group S.A. and its subsidiaries (the "Group") as of 30 June 2012 and the related condensed consolidated interim income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "condensed consolidated interim financial information"). The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim financial reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

PricewaterhouseCoopers, Société coopérative

Luxembourg, 22 August 2012

Represented by

Pascal Rakovsky

Marc Minet

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