

Q1

2015

INTERIM

REPORT

JANUARY - MARCH 2015

HIGHLIGHTS



PROGRAMMATIC TV

RTL Group led the most recent financing round for Clypd, a US-based platform for programmatic advertising sales on linear TV, and now holds a 17.4 per cent minority stake in the company (on a fully diluted basis). The Clypd platform, founded in 2012, is comprised of innovative components that automate workflows between buyers and sellers of TV airtime. It gives TV advertising sales houses in the United States the ability to allow media planners to discover TV inventory opportunities in a unique data driven and efficient manner. Clypd is a pioneer on the programmatic TV front, focusing solely on offering linear TV inventory sales. Clypd operates the marketplaces on behalf of the broadcasters. Key clients include, Discovery Communications, Univision and Cox. Following the acquisition of a 65 per cent stake in SpotXchange in summer 2014, the investment in Clypd underlines RTL Group's strategy to become a leading player in all video segments. It complements RTL Group's growing presence in online video, linking monetisation capabilities in linear and non-linear TV with data and technology-based businesses.



With characters like Elly, Captain Discovery and Dragon Debbie, YoBoHo offers some of the most popular children's channels on Youtube

With the acquisition of kids content producer and publisher YoBoHo, BroadbandTV became one of the leaders in kids and family entertainment on Youtube. YoBoHo owns and operates Hoopla Kidz, one of the largest Youtube kids and family networks, as well as 27 owned and operated channels in the vertical. YoBoHo maintains a proprietary library of content, comprised of over 8,000 videos in the kids vertical, mainly produced by the company. It generates a total of three billion views per year. Under this deal, the 55 YoBoHo employees will join BroadbandTV, including: producers, writers, marketers, technology and mobile experts, and a strong business development team. RTL Group provided funding for BroadbandTV's acquisition of YoBoHo.



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RTL GROUP REPORTS A SUCCESSFUL START INTO 2015: EBITA SLIGHTLY UP, NET PROFIT SIGNIFICANTLY HIGHER

- Mediengruppe RTL Deutschland with significant revenue and EBITA growth
- Very strong revenue growth in digital: up 66 per cent
- Healthy financial position allows for further investments

Luxembourg, 7 May 2015 – RTL Group, the leading European entertainment network, announces its quarterly results to 31 March 2015.

HIGHLIGHTS

	Q1 / 2015 €m	Q1 / 2014 restated ¹ €m	Per cent change
Revenue	1,308	1,313	(0.4)
Underlying revenue ²	1,236	1,252	(1.3)
Reported EBITA ³	194	191	+1.6
Reported EBITA margin (%)	14.8	14.5	+0.3
Reported EBITDA ⁴	247	246	+0.4
Reported EBITDA margin (%)	18.9	18.7	+0.2
Reported EBITA	194	191	
Impairment of disposal group	(14)	–	
Impairment of investments accounted for using the equity method and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(2)	(2)	
Gain/(Loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	(1)	
EBIT	178	188	
Net financial income/(expense)	(4)	(11)	
Income tax expense	(53)	(69)	
Profit for the period	121	108	
Attributable to:			
– Non-controlling interests	15	17	
– RTL Group shareholders	106	91	+16.5
Reported EPS (in €)	0.69	0.59	+16.9

¹ All financial data for Q1/2014 restated for impact of IFRIC 21

² Adjusted for minor scope changes and at constant exchange rates

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

⁴ EBITDA represents EBIT excluding amortisation and impairment of non-current programme and other rights, of goodwill and disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

Q1/2015: EBITA, EBITA margin and net profit up year-on-year

- **Advertising market** conditions in the first quarter showed a mixed picture: looking across the Group's markets, RTL Group estimates that the net TV advertising markets in Germany, France, Croatia and Spain were up, while the market developments in the Netherlands, Belgium and Hungary remained challenging
- Reported **Group revenue** was stable at €1,308 million (Q1/2014: €1,313 million). Lower revenue at Groupe M6 and FremantleMedia was offset by significantly higher revenue from Mediengruppe RTL Deutschland
- Reported **EBITA** was slightly up to €194 million compared to €191 million in Q1/2014. Accordingly, the **EBITA margin** increased to 14.8 per cent (Q1/2014: 14.5 per cent)
- RTL Group's **digital revenue**⁵ continued to show very dynamic growth, up 66 per cent to €88 million (Q1/2014: €53 million), benefitting from organic growth and new acquisitions
- **Net profit attributable to RTL Group shareholders** amounted to €106 million (Q1/2014: €91 million), a 16.5 per cent increase year-on-year
- **Net cash from operating activities** was €208 million, resulting in an operating cash conversion of 110 per cent (Q1/2014: 114 per cent)
- As of 31 March 2015, RTL Group had a **net debt position** of €452 million (31 December 2014: debt of €599 million)

⁵ Excluding e-commerce, home shopping and platform revenue for digital TV

Segments: Mediengruppe RTL Deutschland achieves new record EBITA

- **Mediengruppe RTL Deutschland's** EBITA reached a new record high for a first quarter at €153 million, up from €134 million in Q1/2014, driven by significantly higher TV advertising revenue
- At **Groupe M6**, EBITA was slightly up to €41 million (Q1/2014: €40 million), reflecting higher EBITA contributions from 6ter, M6 and Paris Première which were partly offset by lower contributions from diversification activities
- **RTL Nederland's** EBITA was down to minus €3 million from (Q1/2014: profit of €6 million), mainly due to a weak TV advertising market, lower margins of the diversification business and higher programming costs
- **FremantleMedia's** EBITA decreased to €3 million (Q1/2014: €9 million), mainly due to lower revenue caused by phasing effects on the delivery of programmes at FremantleMedia North America and in Europe

“Overall, a successful start into the year”



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

“Overall, we had a successful start into the year and slightly increased our operating profit EBITA, mainly driven by another strong performance from Mediengruppe RTL Deutschland.

During the first months of the year we have been further reinforcing our three strategic pillars: broadcast, content and digital. With Oxygem in France, we boost the digital development of Groupe M6. As digital video monetisation becomes more automated, we have extended our presence in April with a minority investment in the start-up Clypd in the US. Clypd complements the rapidly growing business of SpotXchange by adding cutting-edge sales capabilities to place spots into linear TV programmatically.

Additionally, FremantleMedia invested in the newly launched Corona TV to strengthen its scripted pipeline with projects that will have cinematic feel. BroadbandTV used funding provided by RTL Group to acquire the leading kids content producer and publisher on Youtube, YoBoHo.

We still have the capacity to explore more investment opportunities in the rest of the year based on our very healthy financial position. We will continue to do so throughout 2015, applying our strict investment criteria to generate profitable growth.

We confirm our outlook for the full year 2015 and expect our total revenue and EBITA to be broadly stable⁶.”

⁶ Excluding one-offs

RTL Group continues to invest in its strategic pillars

Broadcast

- In March, RTL Hrvatska launched three new basic pay-TV channels: RTL Passion, RTL Crime and RTL Living. The company now operates three free-to-air and three pay-TV channels, more than any competitor in the Croatian market
- In April, RTL Group led the most recent financing round for Clypd, a US-based platform for programmatic advertising sales on linear TV, and now holds a 17.4 per cent minority stake in the company (on a fully diluted basis)
- In April, NBC Universal International Television Production, Mediengruppe RTL Deutschland and TF1 announced that they have entered into an international co-production agreement to produce original US-style TV procedural dramas. It is the first time that European broadcasters have partnered with a major US media company for a deal of this nature

Content

- In February, FremantleMedia acquired a 25 per cent stake in newly started Corona TV. The deal, which gives FremantleMedia a first look option on all Corona TV output, furthers FremantleMedia's ambition to build its scripted pipeline with projects that will have a cinematic feel and attract international co-production funding
- In March, FremantleMedia International and Netflix signed a global licensing deal for *The Returned*, the new suspenseful drama co-produced by FremantleMedia North America and A+E Studios. Episodes have been available on Netflix in all regions outside the US and Canada, within 24 hours of the US broadcast on A+E Network
- In April, FremantleMedia, Shanghai Media Group's BesTV and China Media Capital announced an exclusive agreement that will create and develop entertainment formats for the Chinese market

Digital

- RTL Group has a strong and rapidly growing presence across all digital platforms. In the first quarter of 2015:
 - RTL Group's catch-up TV services, websites and MCNs attracted a total 18.7 billion online video views, up 160 per cent year-on-year⁷ (Q1/2014: 7.2 billion)
 - thereof: FremantleMedia's more than 220 Youtube channels attracted 2.7 billion views, up 69 per cent year-on-year
- Following the most recent acquisitions of Divimove and YoBoHo, RTL Group now generates 6.4 billion online video views per month⁸
- In January, Groupe M6 strengthened its presence in the digital space with the acquisition of 100 per cent of the capital of French media group Oxygem, which provides website editing and e-marketing services
- In April, BroadbandTV announced the acquisition of the leading kids content producer and publisher on Youtube, YoBoHo, which owns and operates more than 25 channels. YoBoHo's library comprises of over 8,000 videos in the kids vertical, mainly produced by the company. It generates a total of three billion views per year. RTL Group provided funding for BroadbandTV's acquisition of YoBoHo
- RTL Group's recently acquired digital businesses – BroadbandTV, StyleHaul and SpotXchange – continued to show strong revenue growth, comparing Q1/2014 with Q1/2015: BroadbandTV was up 67 per cent, StyleHaul was up 60 per cent⁹, SpotXchange was up 86 per cent⁹.

⁷ Aggregated view

⁸ Aggregated view; pro-forma

⁹ Pro-forma

FINANCIAL REVIEW

REVENUE

Advertising market conditions in the first quarter showed a mixed picture: Looking across the Group's markets, RTL Group estimates that the advertising markets in Germany, France, Croatia and Spain were up, while the conditions in the Netherlands, Belgium and Hungary were challenging.

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

	Net TV advertising market growth rate Q1 / 2015 (in per cent)	RTL Group audience share in main target group Q1 / 2015 (in per cent)	RTL Group audience share in main target group Q1 / 2014 (in per cent)
Germany	+4.0 to +5.0 ¹⁰	29.0 ¹¹	30.3 ¹¹
France	+3.0 ¹²	21.9 ¹³	22.5 ¹³
Netherlands	(7.1) ¹⁰	32.8 ¹⁴	33.0 ¹⁴
Belgium	(4.1) ¹⁰	35.6 ¹⁵	35.4 ¹⁵
Hungary	(1.2) ¹⁰	38.0 ¹⁶	38.0 ¹⁶
Croatia	+2.2 ¹⁰	25.7 ¹⁷	26.6 ¹⁷
Spain	+11.8 ¹⁸	28.6 ¹⁹	32.6 ¹⁹

10 Industry/IREP and RTL Group estimates

11 Source: GfK. Target group: 14 to 59

12 Source: Groupe M6 estimate

13 Source: Médiamétrie. Target group: housewives under 50 (including digital channels)

14 Source: SKO. Target group: 20-49, 18h-24h

15 Source: Audimétrie. Target group: shoppers 18-54, 17-23h

16 Source: AGB Hungary. Target group: 18-49, prime time (including cable channels)

17 Source: AGB Nielsen Media Research. Target group: 18-49, prime time

18 Source: Infoadex and Atresmedia estimate

19 Source: TNS Sofres. Target group: 16-54
20 All financial data for Q1/2014 restated for impact of IFRIC 21

Revenue was stable at €1,308 million (Q1/2014: €1,313 million)²⁰. On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was down 1.3 per cent to €1,236 million.

EBITA AND EBITDA

Reported EBITA was €194 million, up when compared to €191 million in Q1/2014. This resulted in a slightly increased EBITA margin of 14.8 per cent. With the exception of Mediengruppe RTL Deutschland, Groupe M6 and Atresmedia, all other broadcasting operations reported either lower, or stable, profit contributions reflecting the continued mixed recovery across European TV advertising markets.

The Group's EBITDA was stable at €247 million (Q1/2014: €246 million), resulting in an EBITDA margin of 18.9 per cent (Q1/2014: 18.7 per cent).

Group operating expenses were at €1,152 million in Q1/2015 compared to €1,134 million in Q1/2014.

FURTHER GROUP FINANCIALS

Main portfolio changes

Oxygem

On 12 January 2015 Groupe M6, via its subsidiary M6 Web, acquired the entire share capital of French media group Oxygem. The acquisition of Oxygem allows Groupe M6 to extend the range of topics covered by its websites and will significantly boost its digital development. Oxygem's websites (*CuisineAZ.com*, *Passeportsanté.net*, *Radins.com*, *Météocity.com*) are geared towards everyday themes, such as cookery, health, consumer tips and bargains, weather, beauty and slimming and are aimed mainly at women aged under 50.

Investments accounted for using the equity method

The total contribution of these investments increased to a profit amounting to € 14 million (Q1/2014: € 6 million).

Interest expense and financial results other than interest

Net interest expense amounted to €5 million (Q1/2014: expense of €9 million) for the period ended 31 March 2015.

Income tax expense

In the first quarter of 2015, the tax expense was €53 million (Q1/2014: expense of €69 million).

Profit attributable to RTL Group shareholders

The profit for the period attributable to RTL Group shareholders was €106 million (Q1/2014: €91 million).

Earnings per share

Reported earnings per share, based upon 153,610,630 shares, was €0.69 (Q1/2014: €0.59 per share).

Net debt position

The consolidated net debt position at 31 March 2015 was €452 million (31 December 2014: net debt of €599 million). The Group continues to generate significant operating cash flow with an EBITA to cash conversion ratio of 110 per cent (Q1/2014: 114 per cent).

	As at 31 March 2015 € m	As at 31 December 2014 € m
Gross balance sheet debt	(891)	(1,104)
Add: cash and cash equivalents	414	483
Add: cash deposit and others	25	22
Net debt position	(452)²¹	(599)

Outlook

RTL Group confirms its outlook given at the full-year results 2014 presentation on 5 March 2015: RTL Group currently expects its total revenue and EBITA for the full year 2015 to be broadly stable²².

²¹ Of which €219 million held by Groupe M6 (Q4/2014: €246 million)

²² Excluding one-offs

REVIEW BY SEGMENTS

Revenue	Q1/2015 €m	Q1/2014 restated ²³ €m	Per cent change
Mediengruppe RTL Deutschland	485	449	+8.0
Groupe M6	308	346	(11.0)
FremantleMedia	295	313	(5.8)
RTL Nederland	98	98	–
RTL Belgium	50	51	(2.0)
RTL Radio (France)	35	37	(5.4)
Other segments	97	68	+42.6
Eliminations	(60)	(49)	n.a.
Total revenue	1,308	1,313	(0.4)

EBITA	Q1/2015 €m	Q1/2014 restated ²³ €m	Per cent change
Mediengruppe RTL Deutschland	153	134	+14.2
Groupe M6	41	40	+2.5
FremantleMedia	3	9	(66.7)
RTL Nederland	(3)	6	n.a.
RTL Belgium	11	13	(15.4)
RTL Radio (France)	(1)	–	n.a.
Other segments	(8)	(11)	n.a.
Eliminations	(2)	–	n.a.
Reported EBITA	194	191	+1.6

EBITA margins	Q1/2015 per cent	Q1/2014 restated ²³ per cent	Percentage point change
Mediengruppe RTL Deutschland	31.5	29.8	+1.7
Groupe M6	13.3	11.6	+1.7
FremantleMedia	1.0	2.9	(1.9)
RTL Nederland	n.a.	6.1	n.a.
RTL Belgium	22.0	25.5	(3.5)
RTL Radio (France)	n.a.	n.a.	n.a.
RTL Group	14.8	14.5	+0.3

²³ All financial data for Q1/2014 restated for impact of IFRIC 21

MEDIENGRUPPE RTL DEUTSCHLAND

Financial results

In the reporting period, the German net TV advertising market was estimated to be up between 4.0 per cent and 5.0 per cent year-on-year. Subsequently, Mediengruppe RTL Deutschland's revenue increased to €485 million (Q1/2014: €449 million), mainly due to higher revenue from the TV business and diversification activities. EBITA was up strongly, reaching a new record level for a first quarter of €153 million, driven by higher revenue.

	Q1/2015 €m	Q1/2014 restated €m	Per cent change
Revenue	485	449	+8.0
EBITDA	157	138	+13.8
EBITA	153	134	+14.2

In the first three months of 2015, the channels of **Mediengruppe RTL Deutschland** scored a combined audience share of 29.0 per cent in the target group of viewers aged 14 to 59 (Q1/2014: 30.3 per cent), well ahead of the ProSiebenSat1 channels which scored a combined audience share of 26.0 per cent.

RTL Television remained the clear market leader in the target group, attracting an audience share of 12.7 per cent (Q1/2014: 14.2 per cent), clearly ahead of Sat 1 (9.6 per cent), ZDF (8.4 per cent), ProSieben (8.3 per cent) and ARD/Das Erste (7.8 per cent).

The most-watched show on RTL Television in the first quarter of 2015 was the Uefa European Football Championship qualifier between Germany and Georgia on 29 March 2015, which was watched by 11.57 million viewers. The average audience share among viewers aged 14 to 59 was 38.4 per cent. The ninth season of *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity – Get Me Out Of Here!) once again proved popular, scoring an average audience share of 35.9 per cent in the target group of viewers aged 14 to 59, making it the most watched TV format in the first quarter in this demographic. Other audience favourites were *Deutschland sucht den Superstar* (Idols), *Let's Dance*, *Wer wird Millionär?* (Who Wants To Be A Millionaire?), and *Vermisst. RTL Aktuell* was again Germany's most popular news programme among viewers aged 14 to 59, with an average audience share of 16.8 per cent.



During the first three months of 2015, **Vox** scored an average audience share of 6.6 per cent in the target group of viewers aged 14 to 59 (Q1/2014: 6.7 per cent). Especially popular were daytime formats such as *Shopping Queen* and the prime-time US series *Rizzoli & Isles* which attracted an average audience share of 9.5 per cent in the target group.

RTL II achieved an average audience share of 5.4 per cent among viewers aged 14 to 59 (Q1/2014: 5.5). Shows such as *Köln 50667* and *Berlin – Tag & Nacht* continued to be popular in access prime time. On 17 March, the *RTL II News* recorded an audience share of 21.8 per cent among viewers aged 14 to 29 – the best result in this demographic since the format launched.

In total, **RTL Nitro** attracted an average 1.8 per cent of viewers aged 14 to 59 during the first quarter of 2015, significantly up from 1.4 per cent in the first quarter of 2014.

Super RTL scored an average daytime audience share of 18.0 per cent in its target group of children aged 3 to 13 (Q1/2014: 20.3 per cent, 6:00 to 20:15). This decrease was mainly due to the launch of the new free-to-air Disney Channel in Germany in 2014. Popular formats included *Bugs Bunny & Looney Tunes*, which was watched by an average 20.3 per cent of kids aged 3 to 13, and *Sally Bollywood* which attracted 21.5 per cent of the target group.

The news channel **N-TV** attracted 1.0 per cent (Q1/2014: 1.0 per cent) of viewers aged 14 to 59. Closely followed topics included coverage on Germanwings flight 9525, the economic situation in Greece, and the crisis in Ukraine. In March, the channel's website (*N-TV.de*) and mobile app scored a new record with a total of 103.6 million visits, surpassing the 100 million threshold for the first time.

Mediengruppe RTL Deutschland is further expanding its presence on smart TVs with **Clipfish** by launching an ad-financed smart TV movie channel: Clipfish Filme. With the launch of the Amazon Fire TV Stick, Amazon Fire TV users get access to the full range of videos offered by Clipfish.

Mediengruppe RTL Deutschland's family of catch-up services – combined with the clip portal *Clipfish.de*, Clipfish Music HbbTV and the unit's channel and thematic websites – generated a total of 329 million video views of professionally produced content (Q1/2014: 336 million). Around 21 per cent of these views were generated on mobile devices.

GROUPE M6

Financial results

The French net TV advertising market was slightly up by an estimated 3.0 per cent compared to the first quarter of 2014. In the first quarter of 2015, Groupe M6's revenue was down to €308 million (Q1/2014: €346 million), mainly due to the scope effect of *Mistergooddeal* which was sold in March 2014. EBITA increased to €41 million (Q1/2014: €40 million), reflecting higher EBITA contributions from 6ter, M6 and Paris Première, partly offset by lower contributions from diversification activities.

	Q1/2015 €m	Q1/2014 restated €m	Per cent change
Revenue	308	346	(11.0)
EBITDA	79	68	+16.2
EBITA	41	40	+2.5

Groupe M6 strengthened its presence in the digital space with the acquisition of 100 per cent of the capital of French media group Oxygem, which provides website editing and e-marketing services. Every month, 7.3 million unique visitors visit Oxygem's various websites, which cover topics such as cooking, health, consumer goods and shopping tips, weather, beauty, and slimming, and are primarily aimed at women under 50.

Groupe M6's combined audience share was 21.9 per cent in the key commercial target group of housewives under 50 during the first three months of 2015 (Q1/2014: 22.5 per cent).

In the first quarter of 2015, M6 scored an average audience share of 15.2 per cent in the target group of housewives under 50 (Q1/2014: 16.0 per cent). Popular programmes included the comedy *Scènes de Ménages*, TV events such as *Top Chef* and *Patron Incognito*, and US series such as *Elementary* and *Scorpion*.

W9 attracted an average 3.7 per cent of housewives under 50 (Q1/2014: 3.8 per cent). The most popular broadcasts included the UEFA Europa League games. W9 is the only French free-to-air channel to broadcast a European football competition. Movies and magazine shows such as *Enquêtes criminelles* were also popular.

In the target group of housewives under 50, 6ter remained the leading channel among the six DTT channels launched in December 2012, attracting an average audience share of 1.7 per cent – up from 1.1 per cent in the first quarter of 2014.

The catch-up TV service, 6play, registered 220 million online video views in the first three months of 2015 (Q1/2014: 210 million). The service enables viewers to re-watch flagship programmes from Groupe M6's free-TV channels – at no cost – for seven to 15 days, for six months from their initial broadcast. 6play is available on computers, tablets, smartphones and televisions via virtually all cable, IPTV and satellite packages in France. Five free digital channels are also available on 6play: Stories, Crazy Kitchen, Sixième Styles, and Comic – all launched in March 2014 – and Home Time, which was launched in January 2015.



FREMANTLEMEDIA

Financial results

Revenue at RTL Group's content business, FremantleMedia, decreased to €295 million (Q1/2014: €313 million), mainly due to phasing effects on delivery of programming at FremantleMedia North America and Europe. In addition, positive effects from the weaker Euro versus the US dollar were offset by the scope effect of Radical Media which was disposed on 30 December 2014. EBITA was down to €3 million (Q1/2014: €9 million), reflecting lower revenue.

	Q1/2015 €m	Q1/2014 restated €m	Per cent change
Revenue	295	313	(5.8)
EBITDA	7	26	(73.1)
EBITA	3	9	(66.7)

Production business

In February 2015, FremantleMedia acquired a 25 per cent stake in the newly launched Corona TV. The deal, which gives FremantleMedia a first look option on all Corona TV output, furthers FremantleMedia's ambition to build its scripted pipeline with cinematic projects that attract international co-production funding.

Non-scripted

The premier of *Asia's Got Talent* on AXN topped ratings among English pay-TV channels in Southeast Asia. During the show's two hour debut, AXN delivered more than ten times the ratings of the next English general entertainment channel across Singapore, Malaysia and the Philippines. In Taiwan, *Asia's Got Talent* was the most watched programme of the day among the international general entertainment channels.

FremantleMedia North America (FMNA) announced the launch of Buzzr TV, a digital multicast channel devoted to vintage game shows, on Fox TV stations. Buzzr TV will pool classic game show titles from FremantleMedia's library, which itself comprises more than 40,000 episodes of game shows such as *Let's Make a Deal*, *Match Game*, *Password* and others that feature many celebrities and TV regulars from the 1960s, 70s and 80s.

Scripted

FremantleMedia International and Netflix signed a global deal for *The Returned*, the new drama co-produced by FremantleMedia North America and A+E Studios. After the broadcast on A+E Network,



episodes have been available on Netflix in all regions outside the US and Canada. Episodes are available weekly to Netflix subscribers to stream within 24 hours of the US broadcast. The series will also be available on Netflix in the US and Canada next year.

ITV has recommissioned a new series of its hit comedy classic *Birds Of A Feather*. Produced for ITV by **FremantleMedia UK**'s label Retort in partnership with Quirky Media Stuff, the most recent run of the series attracted over five million viewers each week.

Having acquired the international distribution rights to UFA Fiction's *Deutschland 83* **FremantleMedia International** (FMI) announced a partnership with Sundance TV that will see the inspired Cold War drama become the first German-language series to air on a major US network. FMI subsequently announced presales of the drama series *Deutschland 83* to SVT (Sweden), NRK (Norway), DR (Denmark), YLE (Finland) and RUV (Iceland).

Kids & Family Entertainment

In January 2015, **FremantleMedia Kids & Family Entertainment** (FMKFE) announced a multiple programme deal for a package of over 68 hours of programming, including hit pre-school title *Kate and Mim-Mim* to SVOD service Amazon Prime Instant Video UK.

Digital

The first quarter of 2015 saw FremantleMedia's recently acquired multi-channel network **Divimove** reaches around 1 billion video views a month. The company also partnered with FremantleMedia production company **Blue Circle** to produce new branded content for Dutch theme park Walibi Holland featuring Divimove Youtubers, and in March it launched a campaign with WWF Germany to promote Earth Hour.

Also in March, the US digital studio **Tiny Riot** launched the new Youtube channel, Buzzr, which features online talent from a range of social platforms hosting re-imagined versions of classic and new FremantleMedia game shows including *Password*, *Family Feud* and *Body Language*. The channel has already attracted 40,000 subscribers and more than 4 million channel views.

FremantleMedia content registered 2.7 billion views²⁴ in the first quarter of 2015 (Q1/2014: 1.6 billion) and more than 22.5 million subscribers.

²⁴ excluding Divimove

RTL NEDERLAND

Financial results

The Dutch TV advertising market was estimated to be down 7.1 per cent year-on-year. Revenue was stable at €98 million (Q1/2014: €98 million), due to higher revenue from the lower margin diversification business. This, along with higher costs in the television business, resulted in an EBITA loss amounting to €3 million (Q1/2014: positive EBITA of €6 million).

	Q1/2015 €m	Q1/2014 restated €m	Per cent change
Revenue	98	98	–
EBITDA	(1)	7	n.a.
EBITA	(3)	6	n.a.

During the first three months of 2015, the combined prime-time audience share of **RTL Nederland**'s channels in the target group of viewers aged 20 to 49 was slightly down to 32.8 per cent (Q1/2014: 33.0 per cent), but remained clearly ahead of the public broadcasters (27.0 per cent) and the SBS group (19.2 per cent).

RTL Nederland's flagship channel, **RTL 4**, registered an average audience share of 20.0 per cent in the target group of shoppers aged 20 to 49 (Q1/2014: 19.9 per cent). Popular programmes included *The Voice Kids*, *Divorce*, the daily drama *Goede Tijden, Slechte Tijden* and *Familie Kruys*.

RTL 5 achieved an audience share of 5.9 per cent among viewers aged 20 to 34 in the reporting period (Q1/2014: 5.9 per cent). Popular programmes included *Bizarre Eters*, *Expeditie Poolcirkel* and movies such as *Taken 2*.

The men's channel **RTL 7** scored an average audience share of 7.0 per cent among male viewers aged 20 to 49 in the first quarter of 2015 (Q1/2014: 7.1 per cent). On 26 February 2015, RTL 7 attracted its highest audience share ever – a massive 37.9 per cent – with its broadcast of the Europa League football game between Feyenoord Rotterdam and AS Rome.



During the first three months of 2015, the women's channel **RTL 8** attracted an average audience share of 3.0 per cent among women aged 20 to 49 (Q1/2014: 3.6 per cent). Among the most popular formats were *CSI: Miami* and movies such as *The Terminal* and *Letters To Juliet*.

Couverts, the online table reservation portal owned by **RTL Ventures**, strengthened its position as market leader with the takeover of the online restaurant guide, Dinersite.

In March, RTL Ventures acquired a 34.8 per cent stake in *Reclamefolder.nl* – the largest platform for mobile advertising brochures and offers in the Netherlands. In 2014 *Reclamefolder.nl* was the country's third most-used e-commerce app. The acquisition is still subject to approval by the European Commission.

RTL Nederland's network of websites generated a total 195.3 million video views²⁵ (including Youtube) in the first three months of 2015 (Q1/2014: 150.3 million). The most popular formats were *The Bold & The Beautiful*, *Divorce* and all video content related to the daily soap *Goede Tijden, Slechte Tijden*. RTL Nederland generated 33 per cent of the video views through apps, 45 per cent through syndicated partners (mainly Youtube) and 22 per cent from the programme websites and catch-up service *RTLXL.nl*. (Q1/2014: 46 per cent through apps, 28 per cent through syndicated partners and 26 per cent from the programme websites and *RTLXL.nl*.)

25 Playlist starts

RTL BELGIUM

Financial results

In the first quarter of 2015, the net TV advertising market in Belgium was estimated to be down 4.1 per cent. Accordingly, RTL Belgium's revenue was down to €50 million (Q1/2014: €51 million) and EBITA was down to €11 million, reflecting higher costs in the TV business.

	Q1/2015 €m	Q1/2014 restated €m	Per cent change
Revenue	50	51	(2.0)
EBITDA	12	14	(14.3)
EBITA	11	13	(15.4)

RTL Belgium's family of TV channels maintained its position as market leader in French-speaking Belgium with a combined prime-time audience share of 35.6 per cent in the commercial target group (Q1/2014: 35.4 per cent). The flagship channel **RTL-TVI** recorded a prime-time audience share of 25.8 per cent among shoppers aged 18 to 54 (Q1/2014: 25.9 per cent), while **Club RTL** had an audience share of 5.8 per cent among male viewers aged 18 to 54 (Q1/2014: 6.4 per cent) and **Plug RTL** attracted 5.4 per cent of viewers aged 15 to 34 (Q1/2014: 4.4 per cent).

RTL RADIO (FRANCE)

Financial results

The net radio advertising market in France declined by an estimated 4.0 per cent compared to the same period in 2014. Revenue of the French RTL radio family decreased to €35 million (Q1/2014: €37 million), while EBITA was down to a loss of €1 million (Q1/2014: €nil million).

	Q1/2015 €m	Q1/2014 restated €m	Per cent change
Revenue	35	37	(5.4)
EBITDA	–	1	n.a.
EBITA	(1)	–	n.a.

In the latest audience survey by Médiamétrie, for the period January to March 2015, the **French RTL radio family** maintained its clear market leadership in terms of audience share. With a combined audience share of 18.2 per cent (Q1/2014: 18.0 per cent), the unit's three stations – RTL, RTL 2 and Fun Radio – continued to lead over their main commercial competitors, the radio families of NRJ (14.4 per cent) and Lagardère (13.0 per cent).

RTL Radio in France remained the country's number one radio station. In the latest audience survey for the period January to February 2015, the station increased its audience by 543,000 listeners year-on-year to 6.5 million and ranked first in all ratings criteria, with an audience share of 11.8 per cent (Q1/2014: 11.2 per cent). **Fun Radio** registered an audience share of 4.0 per cent (Q1/2014: 3.8) and was the number two music radio station behind NRJ, while **RTL 2** had a share of 2.4 per cent (Q1/2014: 3.0 per cent).

OTHER SEGMENTS

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

The Hungarian TV advertising market was estimated to be down 1.2 per cent in the reporting period, compared to the first quarter of 2014. Revenue of **RTL Hungary** was stable up to €21 million (Q1/2014: €20), while EBITA was up to €4 million (Q1/2014: €1 million).

With a combined average prime-time audience share of 38.0 per cent among viewers aged 18 to 49 (Q1/2014: 38.0 per cent), the gap between the Hungarian RTL family of channels and its competitor TV 2 Group increased to 22.8 percentage points (Q1/2014: 20.2 percentage points). Flagship channel **RTL Klub** attracted an average 19.8 per cent of viewers aged 18 to 49 in prime time (Q1/2014: 20.6 per cent), ahead of TV 2 with 12.2 per cent (Q1/2014: 14.8 per cent). The **RTL cable channels** increased their combined prime-time audience share to 18.2 per cent in the same target group (Q1/2014: 17.4 per cent). **Cool** performed especially well, increasing its audience share to 7.2 per cent of 18 to 49-year-olds in prime time (Q1/2014: 5.9 per cent). Since 1 January 2015, the audience figures for Hungary also include time-shifted viewing.

RTL Hrvatska: In Croatia, the advertising market was estimated to be up 2.2 per cent. Revenue of RTL Hrvatska was stable at €7 million (Q1/2014: €7 million), while EBITA was also stable at minus €1 million (Q1/2014: minus €1 million).

In March 2015, RTL Hrvatska launched three new channels: **RTL Passion**, **RTL Crime** and **RTL Living**. The new channels replace RTL Plus – Croatia's first IPTV channel – which was founded in 2008, and are available from more than 90 per cent of cable and IPTV operators. The company now operates three free-to-air and three pay-TV channels – more than any competitor.

RTL Hrvatska's channels achieved a combined prime-time audience share of 25.7 per cent in the target group of viewers aged 18 to 49 (Q1/2014: 26.6 per cent). The flagship channel **RTL Televizija** recorded a prime-time audience share of 18.4 per cent (Q1/2014: 18.7 per cent), while **RTL 2** recorded an audience share of 6.3 per cent (Q1/2014: 6.6 per cent). RTL Hrvatska's children's channel, **RTL Kockica**, achieved an average daytime (7:00 to 20:00) audience share of 15.1 per cent in the target group of children aged 4 to 14 (Q1/2014: 21.5 per cent).

Atresmedia in Spain: According to Atresmedia estimates, the Spanish TV advertising market grew by 11.8 per cent year-on-year.

Atresmedia's net revenue increased by 13.7 per cent to €232 million (Q1/2014: €204 million), while first-quarter operating profit (EBITDA) reached the best level since 2008 at €34 million (Q1/2014: €13 million), driven by higher revenue, partly balanced by higher costs. Atresmedia has announced a net profit for the reporting period of €21 (Q1/2014: €3 million).

In the first quarter of 2015, Atresmedia's family of channels recorded an audience share of 28.6 per cent in the target group (Q1/2014: 32.6), this decline is mainly due to the closure of three channels in May 2014. Flagship channel **Antena 3** achieved an audience share of 13.6 per cent in the target group (Q1/2014: 14.3 per cent) and Atresmedia's second largest channel **La Sexta** reached 8.4 per cent audience share in the target group (Q1/2014: 7.3 per cent).

Atresmedia's contribution to RTL Group's EBITA amounted to €5 million (Q1/2014: €1 million).

RTL Radio Deutschland reported both stable revenue and EBITA, at €11 million and €2 million respectively.



SpotXchange continues to grow strongly and is working closely with RTL Group to leverage synergies and shared knowledge as the business expands into Europe. Since Q1/2014, activity on SpotXchange has doubled: In the reporting period, SpotXchange registered 121 million ad impressions each day (Q1/2014: 60 million). More than 4 billion video ad decisions are processed daily via SpotXchange (Q1/2014: 1 billion). In March 2015, SpotXchange announced the launch of its Benelux operation. With the addition of the stock of new associate publisher, Gamehouse, SpotXchange immediately takes a leading role in the Dutch online video market. Videostrip, RTL Nederland's online video advertising platform, is being rebranded as SpotXchange Benelux, offering publishers a way to holistically manage their video advertising inventory. SpotXchange also plans to recruit a team in Hamburg and Munich, to support company's supply side platform and grow the business across Germany, Austria and Switzerland.

BroadbandTV is the number three multi-channel network on Youtube worldwide, with over 32,000 channels and four billion monthly views. In Q1/2015, BroadbandTV registered a total of 10 billion video views – up 131 per cent from Q1/2014. In January, BroadbandTV announced the launch of new hip-hop music network, Opposition, which has become the largest hip-hop network on Youtube, currently generating 153 million video views per month. Opposition promotes up-and-coming and established talents, helping them with all aspects of their careers including marketing and creative support, branded entertainment, content strategy, content production, and digital distribution.

With nearly 6,000 channels, **StyleHaul** is a leading multi-platform marketing solution for global fashion and beauty brands and the largest multi-channel network on Youtube within those categories. In Q1/2015, StyleHaul registered a total of 3.2 billion video views – up 104 per cent compared to Q1/2014.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

for the three months ended 31 March

	Notes	2015 € m	2014 Restated ²⁶ € m
Revenue		1,308	1,313
Other operating income		10	6
Consumption of current programme rights		(448)	(433)
Depreciation, amortisation and impairment		(67)	(55)
Other operating expenses		(637)	(646)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(2)	(2)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree		–	(1)
Profit from operating activities		164	182
Share of results of investments accounted for using the equity method		14	6
Earnings before interest and taxes ("EBIT")		178	188
Interest income		2	2
Interest expense		(7)	(11)
Financial results other than interest		1	(2)
Profit before taxes		174	177
Income tax expense		(53)	(69)
Profit for the period		121	108
Attributable to:			
RTL Group shareholders		106	91
Non-controlling interests		15	17
Profit for the period		121	108
EBITA²⁷		194	191
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(2)	(2)
Impairment of disposal group	8.	(14)	–
Gain/(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")		178	188
Earnings per share (in €)			
– Basic		0.69	0.59
– Diluted		0.69	0.59

²⁶ See note 2(a)²⁷ EBITA represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the three months ended 31 March

	2015 € m	2014 Restated ²⁸ € m
Profit for the period	121	108
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Re-measurement of post-employment benefit obligations	(25)	(19)
Income tax	6	4
	(19)	(15)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	58	(12)
Effective portion of changes in fair value of cash flow hedges	65	1
Income tax	(21)	–
	44	1
Change in fair value of cash flow hedges transferred to profit or loss	(9)	(1)
Income tax	2	–
	(7)	(1)
Fair value gains/(losses) on available-for-sale financial assets	2	(1)
	2	(1)
	97	(13)
Other comprehensive income/(loss) for the period, net of income tax	78	(28)
Total comprehensive income for the period	199	80
Attributable to:		
RTL Group shareholders	181	63
Non-controlling interests	18	17
Total comprehensive income for the period	199	80

²⁸ See note 2(a)

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2015 €m	31 December 2014 €m
Non-current assets			
Programme and other rights		79	93
Goodwill		2,945	2,870
Other intangible assets		191	187
Property, plant and equipment		341	337
Investments accounted for using the equity method	7.	367	381
Loans and other financial assets		195	192
Deferred tax assets		387	395
		4,505	4,455
Current assets			
Programme rights		1,051	1,028
Other inventories		17	15
Income tax receivable		88	56
Accounts receivable and other financial assets	13.	1,866	1,697
Cash and cash equivalents		414	483
		3,436	3,279
Assets classified as held for sale	8.	10	4
Current liabilities			
Loans and bank overdrafts		373	583
Income tax payable		41	42
Accounts payable	13.	2,641	2,453
Provisions		153	166
		3,208	3,244
Liabilities directly associated with non-current assets classified as held for sale	8.	10	–
Net current assets		228	39
Non-current liabilities			
Loans	13.	518	521
Accounts payable		407	392
Provisions		275	250
Deferred tax liabilities		55	55
		1,255	1,218
Net assets		3,478	3,276
Equity attributable to RTL Group shareholders		3,009	2,829
Equity attributable to non-controlling interests		469	447
Equity		3,478	3,276

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the three months ended 31 March

	Share capital € m	Treasury shares € m	Currency translation reserve € m	Hedging reserve € m	Revaluation reserve € m	Reserves and retained earnings € m	Equity attributable to RTL Group shareholders € m	Equity attributable to non-controlling interests € m	Total equity € m
Balance at 1 January 2014	192	(44)	(168)	(8)	85	3,102	3,159	434	3,593
Total comprehensive income:									
Profit for the period	–	–	–	–	–	91	91	17	108
Foreign currency translation differences	–	–	(12)	–	–	–	(12)	–	(12)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	1	–	–	1	–	1
Change in fair value of cash flow hedges transferred to profit and loss, net of tax	–	–	–	(1)	–	–	(1)	–	(1)
Fair value gains/(losses) on available-for-sale financial assets, net of tax	–	–	–	–	(1)	–	(1)	–	(1)
Re-measurement of post-employment benefit obligations, net of tax	–	–	–	–	–	(15)	(15)	–	(15)
	–	–	(12)	–	(1)	76	63	17	80
Capital transactions with owners:									
Equity-settled transactions, net of tax	–	–	–	–	–	1	1	–	1
Transactions on non-controlling interests with a change in control	–	–	–	–	–	(15)	(15)	(4)	(19)
Derivatives on equity instruments	–	–	–	–	–	(2)	(2)	(3)	(5)
Transactions on treasury shares of associates	–	–	–	–	–	12	12	–	12
	–	–	–	–	–	(4)	(4)	(7)	(11)
Balance at 31 March 2014 (restated²⁹)	192	(44)	(180)	(8)	84	3,174	3,218	444	3,662
Balance at 1 January 2015	192	(45)	(149)	42	77	2,712	2,829	447	3,276
Total comprehensive income:									
Profit for the period	–	–	–	–	–	106	106	15	121
Foreign currency translation differences	–	–	56	–	–	–	56	2	58
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	42	–	–	42	2	44
Change in fair value of cash flow hedges transferred to profit or loss, net of tax	–	–	–	(7)	–	–	(7)	–	(7)
Fair value gains/(losses) on available-for-sale financial assets, net of tax	–	–	–	–	2	–	2	–	2
Re-measurement of post-employment benefit obligations, net of tax	–	–	–	–	–	(18)	(18)	(1)	(19)
	–	–	56	35	2	88	181	18	199
Capital transactions with owners:									
Equity-settled transactions, net of tax	–	–	–	–	–	1	1	1	2
Acquisition and disposal of treasury shares	–	1	–	–	–	–	1	–	1
Transactions on non-controlling interests without a change in control	–	–	–	–	–	(2)	(2)	4	2
Derivatives on equity instruments	–	–	–	–	–	(1)	(1)	(1)	(2)
	–	1	–	–	–	(2)	(1)	4	3
Balance at 31 March 2015	192	(44)	(93)	77	79	2,798	3,009	469	3,478

²⁹ See note 2(a)

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

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

for the three months ended 31 March

	2015 € m	2014 Restated ³⁰ € m
Cash flows from operating activities		
Profit before taxes	174	177
Adjustments for:		
– Depreciation and amortisation	55	57
– Value adjustments, impairment and provisions	21	11
– Share-based payments expenses	2	1
– Gain on disposal of assets	–	(1)
– Financial results including net interest expense and share of results of investments accounted for using the equity method	18	23
Use of provisions	(25)	(16)
Working capital changes	27	3
Income taxes paid	(64)	(50)
Net cash from operating activities	208	205
Cash flows from investing activities		
Acquisitions of:		
– Programme and other rights	(33)	(28)
– Subsidiaries, net of cash acquired	(25)	(19)
– Other intangible and tangible assets	(34)	(18)
– Other investments and financial assets	(9)	(5)
Current deposit with shareholder	–	(75)
	(101)	(145)
Proceeds from the sale of intangible and tangible assets	9	9
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets	2	4
Interest received	2	2
	13	15
Net cash used in investing activities	(88)	(130)
Cash flows from financing activities		
Interest paid	(16)	(21)
Transactions on non-controlling interests	6	–
(Acquisition)/Disposal of treasury shares	1	–
Term loan facility due to shareholder	(203)	–
Proceeds from loans	3	4
Repayment of loans	(2)	(3)
Net cash used in financing activities	(211)	(20)
Net increase/(decrease) in cash and cash equivalents	(91)	55
Cash and cash equivalents and bank overdrafts at beginning of period	479	540
Effect of exchange rate fluctuation on cash held	21	(1)
Effect of cash in disposal group held for sale	(3)	–
Cash and cash equivalents and bank overdrafts at end of period	406	594

³⁰ See note 2(a)

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. REPORTING ENTITY AND STATEMENT OF COMPLIANCE

RTL Group SA ("RTL Group" or the "Group"), 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 2014.

RTL Group forecasts and projections, taking account of reasonably possible changes in trading perfor-

mance, 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 6 May 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been consistently applied by the Group entities and are consistent with those used in previous year, except as follows:

a. New and amended standards and interpretations adopted by the Group

- IFRIC 21, "Levies", sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37, "Provisions". The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The adoption of IFRIC 21 did not have a material impact on the consolidated financial statements of the Group as at 31 December 2013 and 2014. However, the effects of IFRIC 21 alter the timing of the recognition of certain levies in France (such as C3S) for the interim reporting. The impact for the three months ended 31 March 2015 results in a decrease in the profit from operating activities of €3 million. The condensed consolidated interim income statement and the condensed consolidated interim statement of comprehensive income have been accordingly restated;
- Annual improvements 2011-2013. The amendments include changes from the 2011-20-13 cycle of the annual improvements project that affects 4 standards: IFRS 1, "First time adoption", IFRS 3 "Business combination", IFRS 13, "Fair value measurement" and IAS 40, "Investment property".^{31, 32}

³¹ Endorsed by the European Union for periods on or after 1 January 2015
³² The application of these standards, interpretations and amendments had no significant impact for the Group

b. 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 2015. The Group has yet to assess the impact of the new standards and amendments:

- IAS 19 revised, "Defined Benefit Plans: Employee Contributions" – effective for annual periods beginning on or after 1 July 2014³³;
- Annual improvements 2010-2012. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards: IFRS 2, "Share-based payment", IFRS 3, "Business Combinations", IFRS 8, "Operating segments", IFRS 13, "Fair value measurement", IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets". Consequential amendments to IFRS 9, "Financial instruments", IAS 37, "Provisions, contingent liabilities and contingent assets", and IAS 39, "Financial instruments – Recognition and measurement" – effective for annual periods beginning on or after 1 July 2014³³;
- "Disclosure Initiative (Amendments to IAS 1)" – effective from 1 January 2016 to encourage companies to apply professional judgement in determining the information to disclose in their financial statements³⁴;
- Amendments to IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets" on depreciation and amortisation and IAS 16, "Property, plant and equipment" and IAS 41, "Agriculture" related to accounting for bearer plants – effective from 1 January 2016. In the first amendment, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally pre-

sumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. However, past the headline is a rebuttable presumption, and revenue-based amortisation is permitted when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated³⁴;

- Amendment to IAS 27, "Separate financial statements", on equity method on separate financial statements – effective from 1 January 2016³⁴;
- Amendment to IFRS 10, "Consolidated financial statements" and IAS 28, "Associates and joint ventures" on sale or contribution of assets and on investment entities applying the consolidation exception – effective from 1 January 2016³⁴;
- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation – effective from 1 January 2016³⁴;
- Annual improvements 2012-2014 – effective from 1 January 2016³⁴;
- IFRS 9, "Financial instruments" (and related amendment on general hedge accounting) – effective from 1 January 2018. The IASB has published the complete version of IFRS 9 which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today³³;
- IFRS 14, "Regulatory deferral accounts" – effective from 1 January 2016³³;
- IFRS 15, "Revenue from contracts with customers" applies to all contracts with customers except those that are financial instruments, leases or insurance contracts and introduces a five-step process that the Group will have to follow. The new Standard goes beyond just "commercial effect", "fair value" and "risk and rewards" and will also result in a significant increase in the volume of disclosures related to revenue. IFRS 15 will be applicable for reporting periods beginning on or after 1 January 2017³³.

³³ Endorsed by the European Union for periods on or after 1 February 2015. The Group will therefore apply those standards and amendments as from 1 January 2016.

³⁴ These standards and interpretations have not yet been 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 2014.

4. FINANCIAL RISK MANAGEMENT

4. 1.

Financial risks factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2014. There have been no changes in the risk management policies and organisation since year end.

4. 2.

Accounting classifications and fair value hierarchy

4. 2. 1.

Financial instruments by category

The fair value of each class of financial assets and liabilities are equivalent to their carrying amount.

4. 2. 2.

Fair value hierarchy

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

The different levels have been defined as follows:

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

	Total € m	Level 1 € m	Level 2 € m	Level 3 € m
Assets				
Available-for-sale investments	61	11	–	50
Derivatives used for hedging	172	–	172	–
At 31 March 2015	233	11	172	50
Liabilities				
Derivatives used for hedging	56	–	56	–
Liabilities in relation to put options on non-controlling interests	33	–	–	33
At 31 March 2015	89	–	56	33

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

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

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The main Level 3 related inputs used by RTL Group relate to the determination of the expected discounted cash flows as well as the discount rates used in the different valuations.

Specific valuation techniques used to value financial instruments include:

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

The following table presents the change in Level 3 instruments for the period ended 31 March 2015:

	Financial assets at fair value through profit or loss € m	Available- for-sale investments € m	Total assets € m	Liabilities at fair value through profit or loss € m
Balance at 1 January	–	50	50	30
Effects of movements in foreign exchange	–	–	–	2
Gains and losses recognised in profit or loss	–	–	–	1
Balance at 31 March	–	50	50	33
Total gains/(losses) for the period included in profit or loss for assets and liabilities held at the end of the reporting period	–	–	–	1

5. SEGMENT REPORTING

	Mediengruppe RTL Deutschland		Groupe M6	
	March 2015 € m	March 2014 restated ³⁵ € m	March 2015 € m	March 2014 restated ³⁵ € m
Revenue from external customers	484	448	301	342
Inter-segment revenue	1	1	7	4
Total revenue	485	449	308	346
Profit/(loss) from operating activities	143	130	40	39
Share of results of investments accounted for using the equity method	10	4	–	–
EBIT	153	134	40	39
EBITDA	157	138	79	68
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)	(4)	(4)	(38)	(28)
EBITA	153	134	41	40
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	–	–	(1)	(1)
Impairment of disposal group	–	–	–	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	–	–	–
EBIT	153	134	40	39
Interest income				
Interest expense				
Financial results other than interest				
Income tax expense				
Profit for the period				
	Mediengruppe RTL Deutschland		Groupe M6	
	March 2015 € m	December 2014 € m	March 2015 € m	December 2014 € m
Segment assets (assets classified as held for sale and investments accounted for using the equity method excluded)	1,536	1,561	1,529	1,477
Investments accounted for using the equity method	56	75	6	6
Assets classified as held for sale	–	–	–	–
Segment assets	1,592	1,636	1,535	1,483
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	975	950	634	643
Liabilities directly associated with non-current assets classified as held for sale	–	–	–	–
Segment liabilities	975	950	634	643
Invested capital	617	686	901	840
Segment assets				
Deferred tax assets				
Income tax receivable				
Other assets ³⁶				
Cash and cash equivalents				
Total assets				
Segment liabilities				
Deferred tax liabilities				
Income tax payable				
Other liabilities				
Total liabilities				

35 See note 2(a)

36 Including cash and cash equivalents classified as held for sale

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
March 2015 €m	March 2014 restated ³⁷ €m	March 2015 €m	March 2014 restated ³⁷ €m	March 2015 €m	March 2014 restated ³⁷ €m	March 2015 €m	March 2014 restated ³⁷ €m	March 2015 €m	March 2014 restated ³⁷ €m	March 2015 €m	March 2014 restated ³⁷ €m	March 2015 €m	March 2014 restated ³⁷ €m
253	279	98	98	50	51	34	36	88	59	-	-	1,308	1,313
42	34	-	-	-	-	1	1	9	9	(60)	(49)	-	-
295	313	98	98	50	51	35	37	97	68	(60)	(49)	1,308	1,313
4	8	(3)	5	11	13	(1)	-	(28)	(13)	(2)	-	164	182
(1)	1	-	1	-	-	-	-	5	-	-	-	14	6
3	9	(3)	6	11	13	(1)	-	(23)	(13)	(2)	-	178	188
7	26	(1)	7	12	14	-	1	(5)	(8)	(2)	-	247	246
(4)	(17)	(2)	(1)	(1)	(1)	(1)	(1)	(3)	(3)	-	-	(53)	(55)
3	9	(3)	6	11	13	(1)	-	(8)	(11)	(2)	-	194	191
-	-	-	-	-	-	-	-	(1)	(1)	-	-	(2)	(2)
-	-	-	-	-	-	-	-	(14)	-	-	-	(14)	-
-	-	-	-	-	-	-	-	-	(1)	-	-	-	(1)
3	9	(3)	6	11	13	(1)	-	(23)	(13)	(2)	-	178	188
												2	2
												(7)	(11)
												1	(2)
												(53)	(69)
												121	108

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
March 2015 €m	December 2014 €m	March 2015 €m	December 2014 €m	March 2015 €m	December 2014 €m	March 2015 €m	December 2014 €m	March 2015 €m	December 2014 €m	March 2015 €m	December 2014 €m	March 2015 €m	December 2014 €m
1,717	1,678	382	388	167	165	155	168	644	632	(129)	(133)	6,001	5,936
17	16	7	7	-	-	-	-	281	277	-	-	367	381
-	4	-	-	-	-	-	-	4	-	-	-	4	4
1,734	1,698	389	395	167	165	155	168	929	909	(129)	(133)	6,372	6,321
468	456	137	118	107	110	56	61	333	357	(124)	(133)	2,586	2,562
-	-	-	-	-	-	-	-	6	-	-	-	6	-
468	456	137	118	107	110	56	61	339	357	(124)	(133)	2,592	2,562
1,266	1,242	252	277	60	55	99	107	590	552	(5)	-	3,780	3,759
												6,372	6,321
												387	395
												88	56
												690	483
												414	483
												7,951	7,738
												2,592	2,562
												55	55
												41	42
												1,785	1,803
												4,473	4,462

³⁷ See note 2(a)

6. ACQUISITIONS

6. 1.

Details of main acquisitions

Details of the main acquisitions in the period are set out below. Had the business combinations been at the beginning of the year, the revenue and the profit attributable to RTL Group would not have materially changed.

March 2015

Oxygem

On 9 January 2015, Groupe M6 acquired 100 per cent of Oxygem SA and its subsidiaries ("Oxygem"). Oxygem operates various websites. The acquisition strengthens the monetisation capabilities of Groupe M6 in the online advertising market and will generate significant synergies by cross-fertilising digital expertise. The transaction qualifies as a business combination since RTL Group gained the control over Oxygem.

The purchase consideration amounts to €18 million, net of cash acquired. As a result, a provisional goodwill of €21 million has been recognised. The goodwill will not be tax deductible.

The transaction-related costs are €0.1 million reported in "Operating expenses".

	Fair value at date of gain of control €m
Cash and cash equivalents	2
Other intangible assets	2
Accounts receivable and other financial assets	7
Accounts payable	(6)
Loans	(6)
Net assets acquired	(1)
Goodwill	21
Total purchase consideration	20
Loan previously granted by the seller	6
Cash and cash equivalents in operations acquired	(2)
Cash outflow on acquisition	24

Other acquisition

On 7 January 2015, RTL Group acquired 100 per cent of Dinnersite BV ("Dinnersite"), an online restaurant guide. The combination with Couverts, the online table reservation portal owned by RTL Ventures BV, creates an unrivalled position in the Dutch online restaurant booking market. The transaction qualifies as a business combination since RTL Group

gained the control of Dinnersite. The purchase consideration amounted to below €1 million, net of cash acquired. Goodwill is nil.

StyleHaul

The purchase consideration of €115 million contingent on a cash-and-debt free position adjusted for normalised working capital has been reduced by €4 million, therefore reducing also the amount of the provisional goodwill. This amount was not yet received by the Group at 31 March 2015.

March 2014 (updated at 31 March 2015)

Best of TV

On 7 January 2014, Groupe M6 acquired 51 per cent of Best of TV SAS and Best of TV Benelux SPRL ("Best of TV"). Best of TV has developed a leading position in France in distributing infomercial and tele-shopping products through major French retail chains. This acquisition enabled Groupe M6 to strengthen the position of its subsidiary, Home Shopping Service, in the home shopping and infomercial business. The transaction qualified as a business combination since RTL Group gained the control of Best of TV. A contingent consideration had been recognised for €5 million at the acquisition date and re-measured through the profit or loss ("Other operating expense") for €0.7 million at 31 December 2014. The purchase consideration amounted to €9 million, net of cash acquired, and resulted in the recognition of a goodwill of €8 million. Goodwill in connection with the transaction is not tax deductible. Best of TV is allocated to the Groupe M6 cash generating unit.

The remaining 49 per cent interest is subject to put and call options based on the fair value of the entity at the exercise date between 2017 and 2025. The amount of the option is capped at €19 million. The put option had been recognised at the acquisition date for €16 million through equity as a liability for the present value of the redemption amount. The financial liability is subsequently measured at fair value through profit or loss (31 March 2015: €0.5 million reported in "Operating expense"). This is a Level 3 fair value measurement.

The transaction-related costs were insignificant.

495 Productions

On 26 March 2014, RTL Group acquired 75 per cent of 495 Productions Holdings LLC and its 100 per cent affiliates ("495 Productions"). 495 Productions is a US-based production entity specialising in unscripted, female-skewed docu-series for cable

networks. This acquisition enables FremantleMedia to expand and diversify its core TV production business internationally. 495 Productions is allocated to the FremantleMedia cash generating unit. The transaction qualified as a business combination since RTL Group gained the control of 495 Productions. The purchase consideration, net of cash acquired, amounted to €18 million. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. This resulted in the recognition of a goodwill of €20 million. The goodwill was attributable mainly to the skills and talent of 495 Productions workforce and the synergies expected to be achieved from the integration of 495 Productions into the FremantleMedia business. Goodwill in connection with the transaction is tax deductible.

The remaining 25 per cent interest is subject to put and call options based on a performance-related component. The put option liability had been recognised through equity for the present value of the redemption amount of €7 million.

The transaction related costs amounted to €0.6 million, mainly consisting of legal fees and due diligence costs reported in "Other operating expenses".

RTL Group has paid an amount below €1 million during the first quarter corresponding to the deferred consideration.

6. 2.

Assets and liabilities acquired

Detail of the net assets acquired and goodwill on acquisitions of the first quarter of 2015 are as follows:

	2015 €m
Purchase consideration:	
– Cash paid	27
– Payments on prior years' acquisitions	(1)
Loan previously granted by the seller	(6)
Total purchase consideration	20
Less:	
Fair value of net assets acquired	1
Goodwill	21

6. 3.

Cash outflow on acquisitions

The net assets and liabilities arising from the acquisitions of the first quarter of 2015 are as follows:

	2015 Fair value €m
Cash and cash equivalents	2
Other intangible assets	2
Accounts receivable and other financial assets	7
Accounts payable	(6)
Loans	(6)
Net assets acquired	(1)
Goodwill	21
Total purchase consideration	20
Less:	
Payments on prior years' acquisitions	1
Loan previously granted by the seller	6
Cash and cash equivalents in operations acquired	(2)
Cash outflow on acquisitions	25

7 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Main changes in the Group's ownership interest in associates

March 2015

On 21 January 2015, FremantleMedia has taken a 25 per cent non-controlling stake in Corona TV Ltd ("Corona"), a newly created TV production company within the UK. The deal, which gives FremantleMedia a first look option on all Corona TV output, furthers FremantleMedia's ambition to build its scripted pipeline. A loan granted by FremantleMedia will fund the development of scripted television programmes. FremantleMedia hold call options to acquire the remaining shares. The related carrying amount is below €1 million.

March 2014

The ownership of RTL Group decreased from 20.5 per cent at 31 December 2013 to 19.2 per cent at 31 March 2014 in Atresmedia since the partial novation, on 19 February 2014, of the Integration Agreement executed on 14 December 2011 with the shareholders of La Sexta and the reduction of the number of treasury shares. In the view of the representation of RTL Group to the Board of Directors and other governing bodies of Atresmedia, management consider that this does not change the significant influence of RTL Group in Atresmedia.

This transaction resulted in a dilution of RTL Group's interest generating a capital loss of €5 million reported in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

On 21 February 2014, RTL Group disposed of its ownership in Asia Sports Ventures Pte. Ltd. and recognised a capital gain of €3 million presented in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

Main changes in the Group's ownership interest in joint ventures

March 2015

On 27 January 2015, RTL Group entered in the joint venture RTL Buurtfacts BV ("Buurtfacts"). Buurtfacts is a web and app based platform with a focus on distributing publicly available news, information and facts on a local level. The other shareholders holding 45 per cent have been granted a put option; the related liability amounts to €0.3 million at 31 March 2015.

March 2014

On 6 February 2014, Vice Media, Inc. and RTL Group entered in a joint-venture agreement through the creation of Vice Food LLC, held at 70 and 30 per cent, respectively. The venture was set up to operate, commission, develop and produce digital content for a new online digital vertical known as 'Munchies, Food by Vice', across multiple platforms. Vice Media and Fremantle Media are also individually providing content to the venture.

8. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

RTL Group has received in April 2015 an amount of €4 million following the disposal during the first quarter of the investment held in AdSociety.

On 20 April 2015, RTL Group agreed to fully dispose of the interests held in UFA Sports GmbH and its affiliates (Apareo Holding GmbH, its affiliate Apareo Deutschland GmbH and UFA Sports Asia Pte Ltd excluded) ("UFA Sports"). The transaction is subject to clearance by the competition authority. Accordingly, UFA Sports is reported as a disposal group held for sale as at 31 March 2015. At 31 March 2015, the disposal group was stated at fair value less costs to disposal and comprised the assets and liabilities in the table below. An impairment loss of €14 million has been recognised on the disposal group in the first quarter of 2015. There is no cumulative income or expenses included in OCI relating to the disposal group.

At 31 March 2014, Groupe M6 disposed of 100 per cent of its interests held in Mistergooddeal SA. The sale proceeds amounted to €2 million and the capital gain to €1 million.

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

	2015 €m	2014 €m
Non-current assets		
Programme and other rights	6	—
Investment accounted for using the equity method	—	4
Loans and other financial assets	3	—
Current assets		
Accounts receivable and other financial assets	12	—
Cash and cash equivalents	3	—
Impairment of disposal group	(14)	—
	10	4

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

	2015 €m	2014 €m
Non-current liabilities		
Loans	1	—
Accounts payable	3	—
Current liabilities		
Accounts payable	6	—
	10	—

9. 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.

The Group's content arm, FremantleMedia, usually generates a higher proportion of both revenue and EBITA in the second half of the year due, in part, to the seasonality of programme sales but also to the revenue generated by the distribution, licensing and merchandising business. The seasonality is not expected to be different for 2015.

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €106 million (2014 restated: €91 million) and a weighted average number of ordinary shares outstanding during the period of 153,610,630 (March 2014: 153,618,853) calculated as follows:

	March 2015	March 2014
Profit attributable to RTL Group shareholders (in € million)	106	91
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	154,787,554	154,787,554
Effect of treasury shares held	(1,168,701)	(1,168,701)
Effect of liquidity programme	(8,223)	–
Weighted average number of ordinary shares	153,610,630	153,618,853
Basic earnings per share (in €)	0.69	0.59
Diluted earnings per share (in €)	0.69	0.59

11. TREASURY SHARES

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

Following the shareholders' resolution and in order to foster the liquidity and regular trading of its shares that are listed on the stock market in Brussels and Luxembourg and the stability of the price of its

shares, the Company has entered on 28 April 2014 into a liquidity agreement (the "Liquidity Agreement") with a "Liquidity Provider". During the period ended 31 March 2015, under the Liquidity Agreement, the Liquidity Provider has:

- purchased 183,573 shares at an average price of €84.75; and
- sold 189,894 shares at an average price of €84.92, in the name and on behalf of the Company.

At 31 March 2015, a total of 4,635 RTL Group shares are held by the Company and €10.2 million are in deposit with the Liquidity Provider under the terms of the Liquidity Agreement.

12. NON-CONTROLLING INTERESTS

Transactions on non-controlling interests without a change in control

- On 1 January 2015, RTL Nederland Interactief BV disposed of 49 per cent, out of the 100 per cent held in Videostrip BV ("Videostrip") to SpotXchange Inc (held at 70.8 per cent by the Group) for an amount of €3 million resulting in a dilution of RTL Group's interest of 14.2 per cent with an impact of below €1 million;
- CBS Studios International contributed below €1 million in a capital increase in RTL CBS Asia Entertainment Network LLP, proportionally to its 30 per cent share;
- Groupe M6 has acquired and disposed of own shares in respect to the forward purchase contract and the liquidity programme.

13. RELATED PARTY TRANSACTIONS

Financing

Deposits Bertelsmann SE & Co. KGaA

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

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

At 31 March 2015, RTL Group SA did not hold any deposit with Bertelsmann SE & Co. KGaA (December 2014: € nil) on a one to six-month basis. The interest income for the period is nil (March 2014 restated: insignificant).

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

On 22 December 2011, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement related to the deposit of surplus cash by RTL Group Deutschland GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group Deutschland GmbH its aggregate current partnership interest in Gruner + Jahr GmbH & Co. KG.

At 31 March 2015, RTL Group Deutschland GmbH did not hold any deposit with Bertelsmann SE & Co. KGaA (December 2014: € nil). The interest income for the period is nil (March 2014 restated: € nil).

RTL Group SA additionally entered into a Treasury Agreement in North America with Bertelsmann Inc. Interest rates are based on US Libor plus 10 basis points. At 31 March 2015, the balance of the cash pooling payable amounts to €6 million (December 2014: € nil). The interest income/expense for the period is insignificant (March 2014 restated: insignificant).

Loans from Bertelsmann SE & Co. KGaA

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

- Term loan facility of €500 million until 7 March 2023 bearing interest at 2.713 per cent per annum; RTL Group S.A. has the right to early repay the loan subject to break costs. At 31 March 2015, the term loan balance amounts to €500 million (December 2014: €500 million);
- Revolving loans bear interest at the applicable EURIBOR plus a margin of 0.60 per cent per annum, and swingline loans bear interest at EONIA plus a margin of 0.60 per cent per annum. A commitment fee of 35 per cent of the applicable margin is payable where for purposes of calculation of the payable commitment fee the available commitment under the revolving and swingline facilities will be reduced by €200 million. At 31 March 2015, the total of revolving and swingline loan amounts to €333 million (December 2014: €536 million).

The interest expense for the period amounts to €4 million (March 2014 restated: €3.4 million). The commitment fee charge for the period amounts to €0.2 million (March 2014 restated: €0.4 million).

Tax

On 26 June 2008, the Board of Directors of RTL Group agreed to proceed with the tax pooling of its indirect subsidiary RTL Group Deutschland GmbH ("RGD") into 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. Unless terminated with six months notice, this agreement is automatically extended by one year. Simultaneously, Bertelsmann AG entered into a Compensation Agreement with CLT-UFA SA, a direct subsidiary of RTL Group, providing for the payment to CLT-UFA SA of an amount compensating the above transfer and an additional commission ("Commission") amounting to 50 per cent of the tax saving based upon the taxable profit of RGD.

As at 31 March 2015, the balance payable to BCH amounts to €552 million (December 2014: €432 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €430 million (December 2014: €326 million).

For the period ended 31 March 2015, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €26 million (March 2014 restated: €18 million). The Commission amounts to €10 million (March 2014 restated: €6 million). The amount of trade tax loss carry forward at the level of Bertelsmann SE & Co. KGaA offset at 31 March 2015 through the PLP is higher compared to 31 March 2014.

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of €1 million (March 2014 restated: € nil).

14. SUBSEQUENT EVENTS

On 24 March 2015, RTL Nederland ("RTL NL") has announced the acquisition of 34.8 per cent stake in Reclamefolder.nl BV ("Reclamefolder") holding the platform for online brochures and offers *Reclamefolder.nl*. RTL Ventures BV continues to focus on investments in companies currently in the transition phase from offline to online, with an increasing emphasis on mobile. The transaction will be completed after clearance from the European Commission. RTL NL and the company also entered into a media exposure agreement. The transaction qualifies as a joint arrangement ("JA") as RTL Group jointly controls the company, which will be reported as a joint venture. RTL NL will contribute to €2 million to the share capital of the company.

On 1 April 2015, BroadbandTV Corp. ("BBTV") has acquired 87.6 per cent (69 per cent on a fully diluted basis) of YoBoHo New Media Private Limited and its subsidiary YoBoHo New Media Inc. ("YoBoHo"). RTL Group holds consequently an interest of 50.4 per cent (39.7 per cent on a fully diluted basis). YoBoHo, based in Mumbai, produces kids-and-family oriented video for distribution across digital platforms. The acquisition of YoBoHo supports RTL Group ambitions to secure a leading position in the global online video market notably through investments in BroadbandTV, StyleHaul, others and organic developments. The transaction qualifies as a business combination since RTL Group gained the control of YoBoHo. The purchase consideration, partly contributed to YoBoHo, amounts to USD 13 million, net of cash acquired and contingent on a cash-and-debt free position adjusted for normalised working capital. BBTV also benefits from a call option over the remaining stake held by the non-controlling shareholders. The call window opens two years from closing and ends 18 months thereafter; the non-capped strike price is determined pursuant to a fair market value determination mechanism. A buy-sell mechanism would apply for a period of 12 months following the expiry of the call option, should BBTV not have exercised its call option. Such mechanism provides for a right of the non-controlling shareholders to offer their shares to BBTV at a specified price. The related amount will be recognised as a financial liability. The transaction-related costs are €0.4 million at 31 March 2015 and reported in "Operating expenses".

On 1 April 2015, RTL Nederland BV ("RTL NL") has acquired 100 per cent of Grand Gear Media BV, a Dutch digital platform named Bright, a cross-media platform operating in the field of innovative lifestyle related content with a focus on technology, lifestyle and design and the Bright Assets and all Bright digital platforms and databases such as *Bright.nl*, *Uitpakparty*, *Bright Ideas*, *Bright Store* and events. The transaction qualifies as a business combination since RTL Group gained the control. The purchase price consists of an earn-out mechanism based on revenue and EBITA and is capped at €2.5 million.

On 7 April 2015, the non-controlling interests in The Entertainment Group BV ("TEG") have exercised their put option on the 35 per cent held in the share capital of TEG for an amount of €4 million. RTL Group had gained, on 22 July 2013, the control of TEG, henceforth held by 100 per cent.

On 8 April 2015, RTL Group agreed to invest up to USD 11 million in CLYPD, Inc. ("Clypd") in connection with Clypd's Series B financing round. Clypd is a programmatic TV start-up based in Boston and focusing on the development of an audience-buying platform for linear TV. The company is complementary to the programmatic online video advertising marketplace that SpotXchange operates. RTL Group paid USD 8 million on 8 April 2015 and the remaining amount of USD 3 million is subject to certain conditions. Assuming that such condition is met, RTL Group will own a 19.5 per cent stake in Clypd (17.4 per cent on a fully diluted basis). Following the issuance of new Series B Preferred stock by Clypd, RTL Group will hold a non-controlling interest leading to a significant influence on the governance of the company.

On 20 April 2015, RTL Group disposed of its interests in UFA Sports GmbH. The disposal is subject to approval by the competition authority. See note 8.

Financial calendar

27 August 2015
12 November 2015

Interim results: January to June 2015
Interim results: January to September 2015

Credits

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YoBoHo
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