

## Smart move

In March 2016, Mediengruppe RTL Deutschland announced the acquisition of a 93.75 per cent majority stake in Smartclip, with a call option to acquire the remaining shares. The purchase price is €46.9 million. Mediengruppe RTL Deutschland acquired Smartclip's businesses in Germany, the Netherlands, Scandinavia and Italy. Smartclip's businesses in Spain and Latin America are not part of the transaction, but will continue to license Smartclip's technology and brand. The German Cartel Office approved the transaction on 22 April 2016.

Smartclip is one of the most innovative companies in the rapidly growing market of online video advertising. Founded in 2008, Smartclip bundles the online video advertising inventory of 700 publishers worldwide, and manages the integration and serving of video advertising to all internet-connected devices. As a strong sales house and technological innovator, Smartclip also creates solutions for Connected TV and multiscreen advertising. The transaction is reported in the subsequent events.

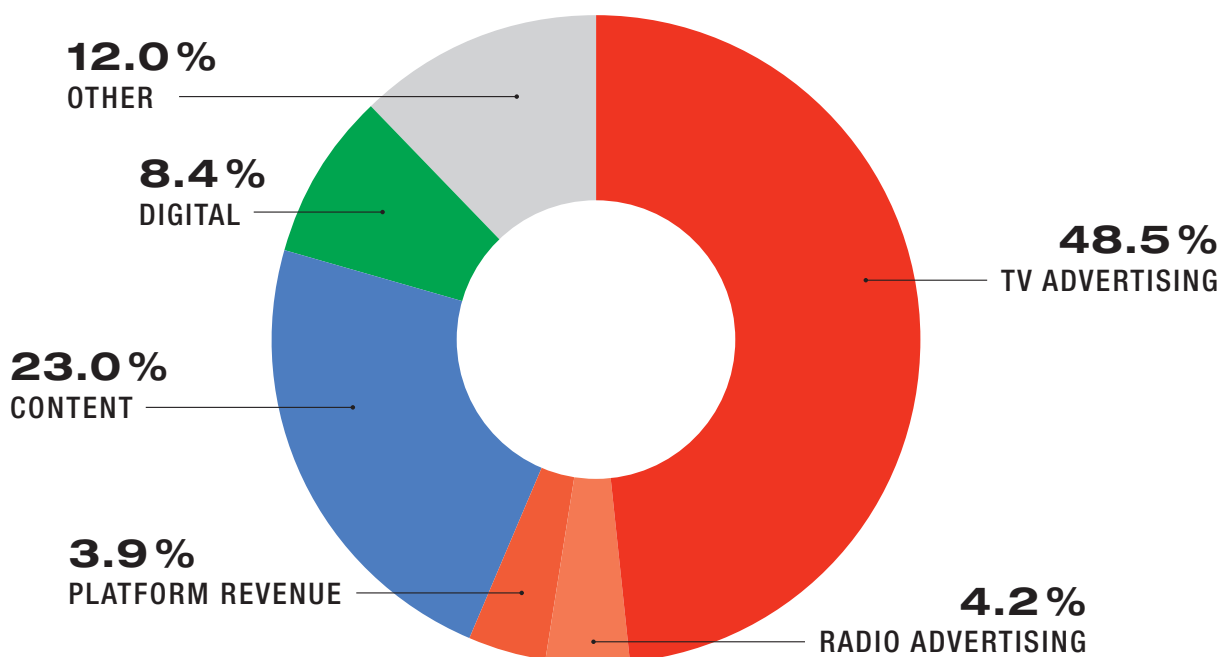
@smartclipAG 



 **smartclip**

Smartclip strengthens RTL Group's technological capabilities in Europe and offers opportunities for innovation with SpotX

## Well diversified



RTL Group revenue split

With TV advertising accounting for 48.5 per cent of its total revenue in the first quarter of 2016, RTL Group is one of the most diversified media companies worldwide. Content represented 23.0 per cent of the total, while the greater exposure to fast-growing digital revenue streams and higher margin platform revenue are expected to further improve the mix.

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# RTL Group reports very strong start to 2016

- Q1/2016: revenue up 9.5 per cent and EBITA up 18.0 per cent, driven by strong broadcast business and FremantleMedia
- Digital revenue up 36.4 per cent; at the same time RTL Group's EBITA margin improved by 1.2 percentage points to 16.0 per cent
- RTL Group's full-year outlook remains unchanged

Luxembourg, 11 May 2016 – RTL Group, the leading European entertainment network, announces its quarterly results to 31 March 2016.

## Key financial figures January to March 2016

	Q1/2016 €m	Q1/2015 €m	Per cent change
Revenue	1,432	1,308	+9.5
Underlying revenue <sup>1</sup>	1,413	1,306	+8.2
Reported EBITA <sup>2</sup>	229	194	+18.0
Reported EBITA margin (%)	16.0	14.8	
EBITDA <sup>3</sup>	288	247	+16.6
EBITDA margin (%)	20.1	18.9	
Reported EBITA	229	194	
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	(4)	(2)	
EBIT	225	178	
Net financial expense	(2)	(4)	
Income tax expense	(68)	(53)	
Profit for the period	155	121	
Attributable to:			
– Non-controlling interests	17	15	
– RTL Group shareholders	138	106	+30.2
Reported EPS (in €)	0.90	0.69	+30.4

<sup>1</sup> Adjusted for minor scope changes and at constant exchange rates

<sup>2</sup> 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

<sup>3</sup> EBITDA represents earnings before interest and taxes 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

# “Very strong start to 2016”



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

“RTL Group has recorded a very strong first quarter following the positive performance of our broadcasting business all over Europe. FremantleMedia also positively contributed to the extraordinary result, mainly due to last year’s acquisitions and improved results in all major markets.

However, as stated in prior years, the first quarter is not necessarily an indicator for the full year, especially in heavy sports years such as 2016. We expect that TV advertising revenue will be geared towards the first half of year, as advertisers shift their spend due to big sporting events. Accordingly, RTL Group maintains its outlook for the full year 2016 and expects total revenue to increase moderately and EBITA to be broadly stable.

With the acquisition of Smartclip, Mediengruppe RTL Deutschland will significantly expand its capabilities in digital advertising sales and thus complements our growth strategy: In Germany the reach of our portfolio, and thus our advertising inventory, will grow substantially. At the same time the transaction strengthens our technological capabilities in Europe and offers opportunities globally for innovation in cooperation with SpotX.

Based on the strong first quarter results and our very healthy financial position, we have the capacity to explore further investment opportunities throughout the rest of 2016, and we will continue to focus on expanding and developing our digital businesses as well as growing content production. On average, we plan to invest around €250 million per year for acquisitions, applying our strict investment criteria to generate profitable growth.”

### Q1/2016: all indicators up year-on-year

- Reported Group **revenue** was up 9.5 per cent to €1,432 million (Q1/2015: €1,308 million). This was driven by higher revenue from FremantleMedia, Mediengruppe RTL Deutschland and RTL Group's rapidly growing digital businesses
- Accordingly, reported **EBITA** was up strongly by 18.0 per cent to €229 million (Q1/2015: €194 million), mainly based on significantly higher profit contributions from Mediengruppe RTL Deutschland and FremantleMedia. The **EBITA margin** increased to 16.0 per cent (Q1/2015: 14.8 per cent)
- **EBITDA** was up 16.6 per cent, reaching €288 million (Q1/2015: €247 million), with an **EBITDA margin** of 20.1 per cent (Q1/2015: 18.9 per cent)
- **Net profit** attributable to RTL Group shareholders grew by 30.2 per cent to €138 million (Q1/2015: €106 million), driven by the higher operating profit (EBITA) and no impairments compared to last year
- **Net cash from operating activities** was €319 million (Q1/2015: €208 million), resulting in an operating cash conversion of 150 per cent (Q1/2015: 110 per cent)
- As of 31 March 2016, RTL Group had a **net debt position** of €393 million (31 December 2015: net debt of €670 million)

### Segments: all major profit centres report EBITA growth

- RTL Group estimates that the net TV advertising markets were up in all markets in which the Group is active
- **Mediengruppe RTL Deutschland's** EBITA grew strongly by 8.5 per cent to €166 million (Q1/2015: €153 million), driven by higher TV advertising revenue
- At **Groupe M6**, EBITA increased to €48 million (Q1/2015: €41 million), reflecting higher EBITA contributions from the main channel M6, the rights business and the football club Girondins de Bordeaux
- **FremantleMedia's** EBITA increased to €13 million (Q1/2015: €3 million), benefiting from higher revenue contribution from all major operations (in particular in the UK, North America and Germany), phasing as well as scope effects
- **RTL Nederland's** EBITA was up to €1 million (Q1/2015: loss of €3 million), mainly due to significantly higher TV advertising sales – operating against low comparables of Q1/2015 – and the digital business

## RTL Group continues to make steady progress across all strategic pillars

### Broadcast

- RTL Group's families of channels in the Group's broadcasting markets – Germany, France, the Netherlands and Belgium – gained audiences shares year-on-year during the first quarter of 2016
- In March, Mediengruppe RTL Deutschland announced the launch of two new linear TV channels – both are scheduled to launch on 4 June 2016:
  - RTL Plus will offer a mix of entertainment programmes comprising popular classics and game shows. Starting in autumn, RTL Plus will revive popular game show classics such as *Family Feud*, *Jeopardy*, *Wheel of Fortune* or *Ruck Zuck* with all new episodes
  - Toggo Plus – Germany's first free-to-air time-shift channel – will give viewers a second chance to watch all of Super RTL's children's programmes again, exactly one hour after their initial airing. In addition, instead of ending its broadcasts at 21:15, Toggo Plus will extend children's prime-time viewing by showing top series that are suitable for children up until 22:15
- In May, RTL II will launch RTL II You, an online channel offering both on-demand content and linear streaming – 24 hours a day, seven days a week. The channel will mainly target 14 to 25-year-olds and focus on issues of interest to younger viewers

### Content

- On 11 January 2016, FremantleMedia acquired a 51 per cent majority stake in Abot Hameiri, a leading Israeli production company specialising in entertainment formats, scripted reality and drama
- The farewell season of FremantleMedia North America's *American Idol* on Fox in the United States attracted an average 11.2 million viewers, translating to an average audience share of 9.7 per cent among viewers aged 18 to 49. The show ranked number one or two in this demographic for every single episode
- In April, FremantleMedia India's first web series *Confessions – It's Complicated* premiered exclusively on Facebook. The show includes the use of Facebook Live, which enables people to share their experiences and perspectives in real time

### Digital

- RTL Group's **digital revenue**<sup>4</sup> continued to show very dynamic growth, up 36.4 per cent to €120 million (Q1/2015: €88 million)
- RTL Group has a strong and rapidly growing presence across all digital platforms. In the first quarter of 2016:
  - RTL Group's catch-up TV services, websites and MCNs attracted a total 58.4 billion online video views, up 212 per cent year-on-year (Q1/2015: 18.7 billion)
  - thereof: FremantleMedia's more than 240 Youtube channels attracted 3.9 billion views, up 44.4 per cent year-on-year (Q1/2015: 2.7 billion)
- RTL Group now generates more than 19 billion online video views per month
- The digital businesses that make up RTL Digital Hub – BroadbandTV, StyleHaul and SpotX – continued to show strong revenue growth. Comparing Q1/2016 with Q1/2015: BroadbandTV was up 143 per cent, StyleHaul was up 29 per cent and SpotX was up 13 per cent
- Mediengruppe RTL Deutschland, Groupe M6 and RTL Nederland reported double-digit online video advertising revenue growth rates. Comparing Q1/2016 with Q1/2015: Mediengruppe RTL Deutschland was up 22 per cent, Groupe M6 was up 22 per cent and RTL Nederland was up 60 per cent
- At the beginning of March 2016, Mediengruppe RTL Deutschland launched a new video service called TV Now. The new offering bundles video content and live stream's from Mediengruppe RTL Deutschland's six free-to-air channels (RTL Television, Vox, N-TV, RTL Nitro, Super RTL and RTL II) into a single, homogeneous brand, replacing the previously separate services associated with individual channels
- In March 2016, Mediengruppe RTL Deutschland announced the acquisition of a 93.75 per cent majority stake in Smartclip, with a call option to acquire the remaining shares. The purchase price was €46.9 million. Smartclip bundles the online video advertising inventory of 700 publishers worldwide, and manages the integration and serving of video advertising to all internet-connected devices. Smartclip complements RTL Group's investments in digital advertising sales, including in particular SpotX. Approval from Germany's Federal Cartel Office was received on 22 April 2016

<sup>4</sup> Excluding e-commerce, home shopping and platform revenue for digital TV



# Financial review

## Revenue

Looking across the Group's markets, RTL Group estimates that the net TV advertising markets were up in all markets in which the Group is active.

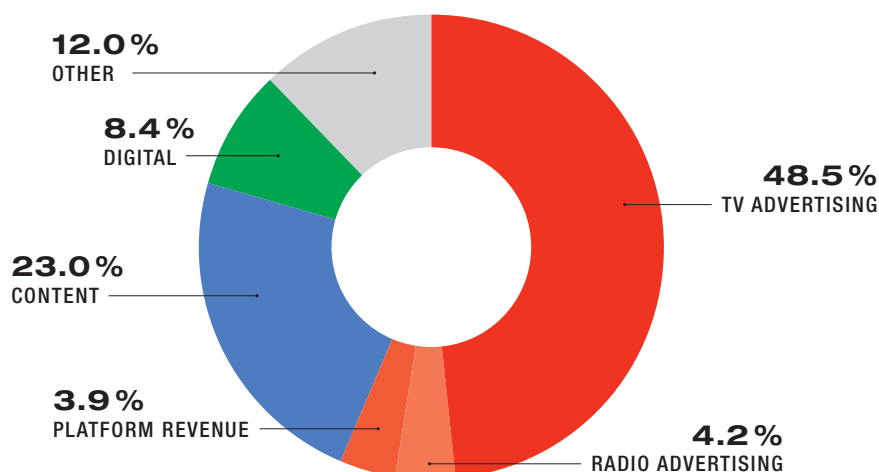
A summary of RTL Group's key markets is shown below, including estimates of net TV advertising market growth rates and the audience share of the main target audience group.

	Net TV advertising market growth rate Q1 / 2016 (in per cent)	RTL Group audience share in main target group Q1 / 2016 (in per cent)	RTL Group audience share in main target group Q1 / 2015 (in per cent)
Germany	+5.0 to 6.0 <sup>5</sup>	29.2 <sup>6</sup>	29.0 <sup>6</sup>
France	+2.0 <sup>7</sup>	23.3 <sup>8</sup>	21.9 <sup>8</sup>
Netherlands	+4.2 <sup>5</sup>	33.5 <sup>9</sup>	32.9 <sup>9</sup>
Belgium	+7.6 <sup>5</sup>	36.7 <sup>10</sup>	35.8 <sup>10</sup>
Hungary	+5.5 <sup>5</sup>	34.8 <sup>11</sup>	38.0 <sup>11</sup>
Croatia	+1.9 <sup>5</sup>	30.1 <sup>12</sup>	25.7 <sup>12</sup>
Spain	+5.6 <sup>13</sup>	31.2 <sup>14</sup>	28.6 <sup>14</sup>

Revenue was up 9.5 per cent to €1,432 million (Q1 / 2015: €1,308 million). This was mainly driven by increasing revenue at FremantleMedia, Mediengruppe RTL Deutschland and growing digital revenue. On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was up 8.2 per cent to €1,413 million (Q1 / 2015: €1,306 million).

### RTL Group revenue split

RTL Group's revenue is well diversified with 52.7 per cent from broadcast advertising (TV and radio), 23.0 per cent from content, 8.4 per cent from digital activities, 3.9 per cent from platform revenue and 12.0 per cent other revenue.



<sup>5</sup> Industry / IREP and RTL Group estimates

<sup>6</sup> Source: GfK. Target group: 14 to 59

<sup>7</sup> Source: Groupe M6 estimate

<sup>8</sup> Source: Médiamétrie. Target group: women under 50 responsible for purchases (including digital channels)

<sup>9</sup> Source: SKO.

Target group: 20-49, 18h-24h

<sup>10</sup> Source: Audimétrie.

Target group: shoppers 18-54, 17-23h

<sup>11</sup> Source: AGB Hungary.

Target group: 18-49, prime time

(including cable channels)

<sup>12</sup> Source: AGB Nielsen Media Research.

Target group: 18-49, prime time

<sup>13</sup> Source: Infoadex estimate

<sup>14</sup> Source: TNS Sofres. Target group: 16-54



## EBITA and EBITDA

Reported EBITA increased by 18.0 per cent to €229 million (Q1/2015: €194 million). This resulted in an increased EBITA margin of 16.0 per cent (Q1/2015: 14.8 per cent), mainly based on significantly higher profit contributions from Mediengruppe RTL Deutschland and FremantleMedia.

The Group's EBITDA was up 16.6 per cent to €288 million (Q1/2015: €247 million), resulting in an EBITDA margin of 20.1 per cent (Q1/2015: 18.9 per cent).

Group operating expenses were at €1,240 million in Q1/2016 compared to €1,152 million in Q1/2015.

## Net debt position and cash conversion

The consolidated net debt position at 31 March 2016 was €393 million (31 December 2015: net debt of €670 million). The Group continues to generate significant operating cash flow with an EBITA to cash conversion ratio of 150 per cent (Q1/2015: 110 per cent).

	As at 31 March 2016 €m	As at 31 December 2015 €m
<b>Net debt cash position</b>		
Gross balance sheet debt	(794)	(1,129)
Add: cash and cash equivalents	395	449
Add: cash deposit and others	6	10
<b>Net debt cash position</b>	<b>(393)<sup>15</sup></b>	<b>(670)</b>

<sup>15</sup> Of which €199 million held by Groupe M6  
(Q4/2015: €174 million)

## Further group financials

### Main portfolio changes

#### Abot Hameiri

On 11 January 2016, FremantleMedia acquired a 51 per cent majority stake in Abot Hameiri, a leading Israeli production company specialising in entertainment formats, scripted reality and drama. Abot Hameiri was founded in 2006 and has produced local versions of some of the biggest international entertainment formats such as *The X Factor* (a FremantleMedia/Syco Entertainment format), *Survivor* and *Amazing Race*.

### Investments accounted for using the equity method

The total contribution of these investments amounted to €14 million (Q1/2015: €14 million).

### Interest expense and financial results other than interest

Net interest expense amounted to €6 million (Q1/2015: expense of €5 million) for the period ended 31 March 2016.

### Income tax expense

In the first quarter of 2016, the tax expense was €68 million (Q1/2015: expense of €53 million).

### Profit attributable to RTL Group shareholders

The profit for the period attributable to RTL Group shareholders was €138 million (Q1/2015: €106 million).

### Earnings per share

Reported earnings per share, based upon 153,582,808 shares, was €0.90 (Q1/2015: €0.69 per share based on 153,610,630 shares).

### Outlook

RTL Group confirms its outlook given at the full-year results 2015 presentation on 10 March 2016: RTL Group currently expects its total full-year revenue to continue to grow moderately (+2.5 per cent to +5.0 per cent), predominantly driven by the Group's digital businesses. EBITA for the full year 2016 is expected to be broadly stable (-1.0 per cent to +1.0 per cent).

## Review by segments

Revenue	Q1/2016 €m	Q1/2015 €m	Per cent change
Mediengruppe RTL Deutschland	515	485	+6.2
Groupe M6	313	308	+1.6
FremantleMedia	340	295	+15.3
RTL Nederland	109	98	+11.2
RTL Belgium	51	50	+2.0
RTL Radio (France)	38	35	+8.6
Other segments	110	97	+13.4
Eliminations	(44)	(60)	n.a.
<b>Total revenue</b>	<b>1,432</b>	<b>1,308</b>	<b>+9.5</b>

EBITA	Q1/2016 €m	Q1/2015 €m	Per cent change
Mediengruppe RTL Deutschland	166	153	+8.5
Groupe M6	48	41	+17.1
FremantleMedia	13	3	+>100.0
RTL Nederland	1	(3)	n.a.
RTL Belgium	10	11	(9.1)
RTL Radio (France)	2	(1)	n.a.
Other segments	(11)	(8)	n.a.
Eliminations	–	(2)	n.a.
<b>Reported EBITA</b>	<b>229</b>	<b>194</b>	<b>+18.0</b>

EBITA margin	Q1/2016 €m	Q1/2015 €m	Percentage point change
Mediengruppe RTL Deutschland	32.2	31.5	+0.7
Groupe M6	15.3	13.3	+2.0
FremantleMedia	3.8	1.0	+2.8
RTL Nederland	0.9	n.a.	n.a.
RTL Belgium	19.6	22.0	(2.4)
RTL Radio (France)	5.3	n.a.	n.a.
<b>RTL Group</b>	<b>16.0</b>	<b>14.8</b>	<b>+1.2</b>

# Mediengruppe RTL Deutschland

## Financial results

In the reporting period, the German net TV advertising market was estimated to be up between 5.0 and 6.0 per cent year-on-year. Mediengruppe RTL Deutschland increased revenue to €515 million (Q1/2015: €485 million), for example due to higher TV advertising and platform revenue. EBITA was up strongly, reaching a new record level for a first quarter of €166 million (Q1/2015: €153 million), driven by higher advertising revenue.

	Q1/2016 €m	Q1/2015 €m	Per cent change
Revenue	515	485	+6.2
EBITDA	169	157	+7.6
EBITA	166	153	+8.5

## Audience ratings

In the first three months of 2016, the channels of **Mediengruppe RTL Deutschland** scored a combined audience share of 29.2 per cent in the target group of viewers aged 14 to 59 (Q1/2015: 29.0 per cent), and increased its lead over the ProSiebenSat1 channels which scored a combined audience share of 25.4 per cent (Q1/2015: 26.0 per cent).

**RTL Television** remained the clear market leader, increasing its audience share in the target group to 13.2 per cent (Q1/2015: 12.7 per cent), clearly ahead of Sat1 (8.7 per cent), ZDF (8.2 per cent), ProSieben (8.2 per cent) and ARD/Das Erste (7.9 per cent). The tenth season of *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity – Get Me Out Of Here!) was once again a highlight in January, scoring an average audience share of 37.3 per cent in the target group of viewers aged 14 to 59 (2015: 35.9 per cent), making it the most watched TV format in the first quarter in this demographic. In fiction, the most-watched programme on RTL Television was the story about the brothers who founded Adidas and Puma, *Duell der Brüder*, broadcast on Good Friday. 21.2 per cent of viewers in the target group tuned in. Other audience favourites were *Deutschland sucht den Superstar* (Idols), *Let's Dance*, *Wer wird millionär?* (Who Wants To Be A millionaire?), and the series *Der Lehrer*. *RTL Aktuell* was again Germany's most popular news programme among viewers aged 14 to 59, with an average audience share of 17.0 per cent (Q1/2015: 16.8 per cent).

During the first three months of 2016, **Vox** scored an average audience share of 6.7 per cent in the target group of viewers aged 14 to 59 (Q1/2015: 6.6 per cent). Especially popular was the cooking show *Kitchen Impossible* with chef Tim Mälzer and an average audience share of 8.8 per cent. The US prime-time series *Rizzoli & Isles* attracted an average audience share of 9.1 per cent in the target group.

**RTL II** achieved an average audience share of 5.0 per cent among viewers aged 14 to 59 (Q1/2015: 5.4). Reality shows such as *Die Geissens – Eine schrecklich glamouröse Familie* and *Sarah & Pietro... im Wohnmobil durch Italien* were popular in prime time. In February, hit-series *Game Of Thrones* was watched by an average 5.2 per cent of viewers in the target group.



In total, **RTL Nitro** attracted an average 1.7 per cent of viewers aged 14 to 59 during the first quarter of 2016, slightly down from 1.8 per cent in the first quarter of 2015.

**Super RTL** increased its average daytime audience share to 21.6 per cent in its target group of children aged 3 to 13 (Q1/2015: 18.0 per cent, 6:00 to 20:15). It remained the leading commercial children's channel in Germany. Kids loved the new series *Dinotrux* which premiered in March and was watched by 24.8 per cent of the 3 to 13-year-olds.

The news channel **N-TV** attracted 1.1 per cent (Q1/2015: 1.0 per cent) of viewers aged 14 to 59. Closely followed topics included the terror attacks in Brussels and Turkey as well as the refugee crisis in Europe and elections in Germany.

#### **Digital**

**RTL Interactive** is Mediengruppe RTL Deutschland's subsidiary for digital and other diversification products, including online video. Mediengruppe RTL Deutschland's family of catch-up services – combined with the clip portal *Clipfish.de*, the Clipfish HbbTV channels and the unit's channel and thematic websites – recorded a total of 336 million video views of professionally produced content (Q1/2015: 329 million).

Beginning of March, Mediengruppe RTL Deutschland launched a new video service called TV Now. This new offering bundles video content of the Group's six free-to-air channels (RTL Television, Vox, N-TV, RTL Nitro, Super RTL and RTL II) in a single umbrella brand, replacing the previously separate services associated with individual channels – RTL Now, Vox Now, N-TV Now, RTL Nitro Now, Super RTL Now and RTL II Now.

# Groupe M6

## Financial results

The French net TV advertising market was up by an estimated 2.0 per cent compared to the first quarter of 2015. In the first quarter of 2016, Groupe M6's revenue was up to €313 million (Q1/2015: €308 million). EBITA increased to €48 million (Q1/2015: €41 million), reflecting higher EBITA contributions from the main channel M6, the rights business and the football club Girondins de Bordeaux.

	Q1/2016 €m	Q1/2015 €m	Per cent change
Revenue	313	308	+1.6
EBITDA	90	79	+13.9
EBITA	48	41	+17.1

## Audience ratings

Despite an increasingly fragmented audiovisual environment, impacted by the significant rise of the DTT channels, Groupe M6 increased its combined audience share to 23.3 per cent in the key commercial target group of women under 50 responsible for purchases during the first three months of 2016 (Q1/2015: 21.9 per cent).

In the first quarter of 2016, the main channel M6 scored an average audience share of 16.0 per cent in the target group of women under 50 responsible for purchases (Q1/2015: 15.2 per cent). It remained the number two most popular channel – just behind TF1. These results are based on the channel's access prime-time line-up (*Shopping Queen*, *Flat Hunters*, *Le 19.45*, *Scènes de Ménages*) and its strong prime-time offer which combines popular major brands (*Top Chef*, *Capital*) and successful new programmes (*Garde à Vous*, *X-Files*)

W9's audience share remained stable at an average 3.7 per cent of women under 50 responsible for purchases (Q1/2015: 3.7 per cent), making it the second most-popular DTT channel in France. The most popular broadcasts included the feature film *Twilight 4: Breaking Dawn Part 1* with an average audience share of 8.2 per cent in the target group.

In the target group of women under 50 responsible for purchases, 6ter remained the leading HD DTT channel, attracting an average audience share of 2.1 per cent – up from 1.7 per cent in the first quarter of 2015.

## Digital

The catch-up TV service, 6play, pursued its growth, underlining both the strength of the channel's flagship programmes on digital, and the success of the new version of 6play launched in December 2015. In the first three months of 2016, 6play registered more than 300 million online video views (Q1/2015: 220 million).



# FremantleMedia

## Financial results

Revenue at RTL Group's content business, FremantleMedia, increased by 15.3 per cent to €340 million (Q1 / 2015: €295 million), profiting from higher revenue contribution from all major operations (in particular in the UK, North America and Germany), phasing and scope effects. Accordingly, EBITA grew strongly to €13 million (Q1 / 2015: €3 million).

	Q1 / 2016 € m	Q1 / 2015 € m	Per cent change
Revenue	340	295	+15.3
EBITDA	19	7	+>100.0
EBITA	13	3	+>100.0

## Non-scripted

The farewell season of FremantleMedia's *American Idol* performed strongly on Fox in the United States. Throughout the season, the iconic entertainment show that shaped an entire genre of entertainment shows attracted on average 11.2 million viewers with an average audience share of 9.7 per cent among viewers aged 18 to 49. The show ranked number one or two in this demographic for every single episode. *American Idol* was the number one entertainment show in the US for eight consecutive years.

Also in the US, *Family Feud* hit a new high in January 2016 – reaching the highest national household rating since the advent of "People Meters" audience measurement in 1987, scoring a 7.5 household rating<sup>16</sup>.

FremantleMedia China announced the commission of the gameshow *The Eureka Moment* with CCTV. The FremantleMedia format will be co-developed for local audiences with CCTV Creation and will premiere on CCTV-1 in June 2016 in the Sunday evening prime-time slot.

## Scripted

FremantleMedia North America and the US channel Starz announced the cast for the upcoming adaptation of Neil Gaiman's acclaimed contemporary fantasy novel, *American Gods*. Among the actors starring in the series are Ricky Whittle, Ian McShane and Emily Browning. The series began shooting in April.

FremantleMedia signed a major development and distribution deal with Slam, the scripted indie run by Stephen Mangan (*Houdini and Doyle*, *Episodes*) and Louise Delamere (*No Angels*, *The Chatterley Affair*).

FremantleMedia's Italian scripted business, Wildside, struck a deal with Italy's Fandango Productions to co-develop and co-produce a TV adaptation of Elena Ferrante's highly-acclaimed *Neapolitan* quartet of novels, which were recently added to the *New York Times* 'best 10 books of 2015'.

In January, *Deutschland 83* became the UK's highest ever rated foreign-language drama attracting a consolidated 2.5 million viewers to its first episode.



<sup>16</sup> Total number of households watching the show expressed as a percentage of the total TV household population



### **Kids & Family Entertainment**

In February, FremantleMedia Kids & Family Entertainment (FMK) announced it sold its top rating and critically acclaimed new series *Danger Mouse* to free-to-air broadcasters in key regions such as France, Australia and the Middle East.

### **Digital**

In the first quarter 2016, Europe's leading multi-channel network, Divimove, attracted over 1.6 billion views a month and had 150 million subscribers across its 1,300 digital influencers in Germany, Spain, the Netherlands, Italy, Poland and France.

FremantleMedia content registered 196 million fans across Youtube, Facebook, Twitter and Instagram. In the first three months of 2016, FremantleMedia content had 3.9 billion views on YouTube (Q1/2015: 2.7 billion) and 30 million subscribers (Q1/2015: 22.5 million) across 240 channels.

In March, FremantleMedia's Dutch production companies launched Tiny Riot!, bundling the digital activities of Blue Circle, FourOneMedia and No Pictures Please.

In the same month FremantleMedia India announced it was to produce its first web series to premiere first exclusively on Facebook. Entitled *Confessions – It's Complicated*, the series uses Facebook Live to enable people to share their experiences and perspectives in real time, as a part of the show. The series premiered in April.

# RTL Nederland

## Financial results

The Dutch TV advertising market was estimated to be up 4.2 per cent year-on-year – on low comparables. RTL Nederland outperformed the market and increased revenue to €109 million (Q1/2015: €98 million). This translated into a growing EBITA, reaching €1 million (Q1/2015: loss of €3 million).

	Q1/2016 €m	Q1/2015 €m	Per cent change
Revenue	109	98	+11.2
EBITDA	3	(1)	n.a.
EBITA	1	(3)	n.a.

## Audience ratings

During the first three months of 2016, the combined prime-time audience share of RTL Nederland's channels in the target group of viewers aged 20 to 49 was up to 33.5 per cent (Q1/2015: 32.9 per cent), and remained clearly ahead of the public broadcasters (24.8 per cent) and the SBS group (20.5 per cent).

RTL Nederland's flagship channel, RTL 4, registered an average audience share of 19.8 per cent in the target group of shoppers aged 20 to 49 (Q1/2015: 20.0 per cent). The finale of *The Voice Of Holland* on 29 January attracted an average 37.0 per cent of viewers in the target group. Other popular programmes included *The Voice Kids*, *Divorce*, *Moordvrouw* and the daily drama *Goede Tijden, Slechte Tijden*.

RTL 5 achieved an audience share of 6.1 per cent among viewers aged 20 to 34 in the reporting period (Q1/2015: 5.9 per cent). The return of *Idols* to Dutch screens on 23 March scored an average audience share of 49.0 per cent among viewers aged 20 to 34. Other Popular programmes included *Temptation Island*, *Lelijke Eendjes* and *The Blacklist*.

The men's channel RTL 7 scored an average audience share of 6.0 per cent among male viewers aged 20 to 49 in the first quarter of 2016 (Q1/2015: 7.0 per cent). The Darts World Cup in January once again attracted male viewers, scoring an audience share of 25.5 per cent in the target group.

During the first three months of 2016, the women's channel RTL 8 attracted an average audience share of 3.5 per cent among women aged 20 to 49 (Q1/2015: 3.0 per cent).

Launched in September 2015, RTL Z scored an average audience share 0.4 per cent in the target of viewers with upper social status aged 25 to 59.

## Digital

RTL Nederland's network of websites generated a total 315 million video views<sup>17</sup> (including YouTube) in the first three months of 2016 (Q1/2015: 195.3 million). The most popular formats were *The Bold & The Beautiful*, *RTL Nieuws* and all video content related to the daily soap *Goede Tijden, Slechte Tijden*.



<sup>17</sup> Playlist starts

# RTL Belgium

## Financial results

In the first quarter of 2016, the net TV advertising market in Belgium was estimated to be up 7.6 per cent. RTL Belgium's revenue was up slightly to €51 million (Q1/2015: €50 million), with higher TV advertising more than compensating lower radio advertising. EBITA was only slightly down at €10 million (Q1/2015: €11 million), reflecting a lower profit contribution from the radio business.

	Q1/2016 €m	Q1/2015 €m	Per cent change
Revenue	51	50	+2.0
EBITDA	11	12	(8.3)
EBITA	10	11	(9.1)

## Audience ratings

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 36.7 per cent in the commercial target group of shoppers aged 18 to 54 (Q1/2015: 35.8 per cent). The flagship channel **RTL-TVI** recorded a prime-time audience share of 27.5 per cent among shoppers aged 18 to 54 (Q1/2015: 25.3 per cent), while **Club RTL** had an audience share of 6.3 per cent among male viewers aged 18 to 54 (Q1/2015: 5.8 per cent) and **Plug RTL** attracted 6.3 per cent of viewers aged 15 to 34 (Q1/2015: 5.4 per cent).



# RTL Radio (France)

## Financial results

The net radio advertising market in France increased by an estimated 2.8 per cent compared to the same period in 2015. The French RTL radio family outperformed the market, with revenue increasing to €38 million (Q1/2015: €35 million). EBITA was up to €2 million (Q1/2015: loss of €1 million), profiting from higher advertising sales.

	Q1/2016 €m	Q1/2015 €m	Per cent change
Revenue	38	35	+8.6
EBITDA	3	–	n.a.
EBITA	2	(1)	n.a.

## Audience ratings

In the latest audience survey by Médiamétrie, for the period January to March 2016, the French RTL radio family maintained its clear market leadership in terms of audience share. With a combined audience share increasing by 2.4 percentage points to 20.6 per cent (Q1/2015: 18.2 per cent), the unit's three stations – RTL Radio, RTL 2 and Fun Radio – continued to lead over their main commercial competitors, the radio families of NRJ (14.8 per cent) and Lagardère (12.7 per cent).

RTL Radio in France remained the country's number one radio station, with an audience share of 11.9 per cent (Q1/2015: 11.8 per cent). Fun Radio increased its audience share by more than 50 per cent to 6.1 per cent (Q1/2015: 4.0) and was the number two music radio station behind NRJ. On average, listeners tuned in to Fun Radio for 115 minutes per day and listener – the best figure in this metric since the station's launch. RTL 2 also increased its audience share and reached 2.7 per cent (Q1/2015: 2.4 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. It also includes RTL Group's digital assets, SpotX, BroadbandTV and StyleHaul, bundled in the RTL Digital Hub.

The Hungarian TV advertising market was estimated to be up 5.5 per cent in the reporting period, compared to the first quarter of 2015. Revenue of RTL Hungary was €20 million (Q1/2015: €21 million), mainly due to lower advertising TV revenue from the free-to-air channels. EBITA was down to €1 million (Q1/2015: €4 million), reflecting higher programming costs and the lack of positive one-off effects in 2016.

Against a background of ongoing fragmentation, RTL Hungary's family of channels recorded a combined average prime-time audience share of 34.8 per cent among viewers aged 18 to 49 (Q1/2015: 38.0 per cent) during the first three months of 2016. The gap between the Hungarian RTL family of channels and its competitor TV 2 Group was 20.2 percentage points (Q1/2015: 22.8 percentage points). Flagship channel RTL Klub attracted an average 18.2 per cent of viewers aged 18 to 49 in prime time (Q1/2015: 19.8 per cent), ahead of TV2 scoring 9.5 per cent (Q1/2015: 12.2 per cent). The RTL cable channels' combined prime-time audience share was 16.6 per cent in the same target group (Q1/2015: 18.2 per cent).

**RTL Hrvatska:** In Croatia, the advertising market was estimated to be up 1.9 per cent. Revenue of RTL Hrvatska was up to €8 million (Q1/2015: €7 million), reflecting higher TV advertising revenue, while EBITA was stable at a loss of €1 million (Q1/2015: loss of €1 million), reflecting higher programming cost.

RTL Hrvatska's channels increased their combined prime-time audience share in the target group of viewers aged 18 to 49 by 4.4 percentage points to 30.1 per cent (Q1/2015: 25.7 per cent). This result was mainly driven by a particularly strong performance of the flagship channel RTL Televizija, which recorded a prime-time audience share of 20.6 per cent (Q1/2015: 18.5 per cent). RTL 2 recorded an audience share of 6.7 per cent (Q1/2015: 6.3 per cent), while RTL Hrvatska's children's channel, RTL Kockica, increased its average daytime (7:00 to 20:00) audience share to 16.9 per cent in the target group of children aged 4 to 14 (Q1/2015: 15.1 per cent). In its prime-time slot, RTL Kockica's audience share among viewers aged 18 to 49 grew by 1.8 percentage points to 2.8 per cent (Q1/2015: 1.0 per cent).

**Atresmedia** in Spain: The Spanish TV advertising market was estimated to be up 5.6 per cent year-on-year.

Atresmedia's net revenue increased by 6.0 per cent to €246 million (Q1/2015: €232 million), while first-quarter operating profit (EBITDA) reached the best level since 2008 at €40 million (Q1/2015: €34 million), driven by higher revenue, partly balanced by higher costs. Atresmedia has announced a net profit for the reporting period of €27 million (Q1/2015: €21 million).

In the first quarter of 2016, Atresmedia's family of channels recorded an audience share of 31.2 percent in the target group (Q1/2015: 28.6), this increase is mainly attributable to the launch of the new channels Mega and Atreseries in 2015. Flagship channel Antena 3 achieved an audience share of 13.3 per cent in the target group (Q1/2015: 13.6 per cent) and Atresmedia's second largest channel La Sexta reached an 8.3 per cent audience share in the target group (Q1/2015: 8.4 per cent).

Atresmedia's contribution to RTL Group's EBITA was stable at €5 million (Q1/2015: €5 million).



**RTL Radio Deutschland** reported increasing revenue at €12 million (Q1/2015: €11 million), reflecting higher radio advertising revenue, while EBITA was down to a break-even position (Q1/2015: €2 million) due to phasing effects of dividends received.

The **RTL Digital Hub** bundles the company's recent investments in the online video segment, in particular BroadbandTV, StyleHaul and SpotX. It also includes the shareholdings in Clypd, a company specialising in the automated sale of linear TV advertising, and VideoAmp, a platform for cross-screen data optimisation.

**SpotX**'s revenue was up 13 per cent year-on-year in Q1/2016. In the reporting period, SpotX registered 121 million ad impressions each day (Q1/2015: 121 million). More than 4.3 billion video ad decisions are processed daily via SpotX (Q1/2015: 4.0 billion). The company is working closely with RTL Group to leverage synergies and shared knowledge as the business expands into Europe. In February 2016, SpotX announced the launch of SpotX Deutschland, a joint endeavour set up by SpotX and Delta Advertising, a subsidiary of Mediengruppe RTL Deutschland.

**BroadbandTV** is the leading multi-channel network (MCN) on YouTube worldwide, with over 74,000 channels and 15.1 billion monthly views at the end of March 2016 (March 2015: 3.7 billion). In Q1/2016, BroadbandTV registered a total of 43 billion video views – up from 10 billion video views in Q1/2015. Revenue was up 143 per cent year-on-year. In April, BroadbandTV announced that it is now the third-most viewed online video provider in the world.

With nearly 6,000 channels, **StyleHaul** is the leading multi-channel network for fashion, beauty and women's lifestyle. In Q1/2016, StyleHaul registered a total of 5.4 billion video views (Q1/2015: 3.2 billion). Revenue was up 29 per cent year-on-year. In March 2016, StyleHaul and magazine publisher Time Inc announced a multi-year deal to offer cross-platform advertising campaigns for brands. StyleHaul's second original series, *Relationship Status*, is an official selection of the 2016 TriBeCa Film Festival and premiered on 29 April 2016.

# Condensed consolidated interim income statement

for the three months ended 31 March

	Note	2016 € m	2015 € m
Revenue		1,432	1,308
Other operating income		23	10
Consumption of current programme rights		(509)	(448)
Depreciation, amortisation, impairment and valuation allowance		(61)	(67)
Other operating expenses		(670)	(637)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(4)	(2)
<b>Profit from operating activities</b>		<b>211</b>	<b>164</b>
Share of results of investments accounted for using the equity method		14	14
<b>Earnings before interest and taxes ("EBIT")</b>		<b>225</b>	<b>178</b>
Interest income		1	2
Interest expense		(7)	(7)
Financial results other than interest		4	1
<b>Profit before taxes</b>		<b>223</b>	<b>174</b>
Income tax expense		(68)	(53)
<b>Profit for the period</b>		<b>155</b>	<b>121</b>
Attributable to:			
RTL Group shareholders		138	106
Non-controlling interests		17	15
<b>Profit for the period</b>		<b>155</b>	<b>121</b>
<b>EBITA<sup>18</sup></b>		<b>229</b>	<b>194</b>
Impairment of disposal group	8.	–	(14)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(4)	(2)
<b>Earnings before interest and taxes ("EBIT")</b>		<b>225</b>	<b>178</b>
<b>EBITDA<sup>19</sup></b>		<b>288</b>	<b>247</b>
Depreciation, amortisation and impairment		(63)	(55)
Impairment of disposal group		–	(14)
<b>Earnings before interest and taxes ("EBIT")</b>		<b>225</b>	<b>178</b>

<sup>18</sup> 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

<sup>19</sup> EBITDA represents earnings before interest and taxes 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

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

	2016 € m	2015 € m
<b>Profit for the period</b>	<b>155</b>	<b>121</b>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Re-measurement of post-employment benefit obligations	(12)	(25)
Income tax	2	6
	(10)	(19)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences	(3)	58
Effective portion of changes in fair value of cash flow hedges	(36)	65
Income tax	11	(21)
	(25)	44
Change in fair value of cash flow hedges transferred to profit or loss	–	(9)
Income tax	–	2
	–	(7)
Fair value gains/(losses) on available-for-sale financial assets	1	2
Income tax	–	–
	1	2
	(27)	97
<b>Other comprehensive income/(loss) for the period, net of income tax</b>	<b>(37)</b>	<b>78</b>
<b>Total comprehensive income for the period</b>	<b>118</b>	<b>199</b>
<b>Attributable to:</b>		
RTL Group shareholders	102	181
Non-controlling interests	16	18
<b>Total comprehensive income for the period</b>	<b>118</b>	<b>199</b>

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

## Condensed consolidated interim statement of financial position

	Notes	31 March 2016 €m	31 December 2015 €m
<b>Non-current assets</b>			
Programme and other rights		107	85
Goodwill		2,961	2,959
Other intangible assets		210	215
Property, plant and equipment		347	352
Investments accounted for using the equity method	7	385	400
Loans and other financial assets		184	207
Deferred tax assets		353	370
		4,547	4,588
<b>Current assets</b>			
Programme rights		1,132	1,093
Other inventories		16	19
Income tax receivable		54	34
Accounts receivable and other financial assets	13	1,938	2,014
Cash and cash equivalents		395	449
		3,535	3,609
<b>Current liabilities</b>			
Loans and bank overdrafts		270	605
Income tax payable		45	45
Accounts payable	13	2,831	2,742
Provisions		127	132
		3,273	3,524
<b>Net current assets</b>		262	85
<b>Non-current liabilities</b>			
Loans	13	524	524
Accounts payable		464	443
Provisions		249	235
Deferred tax liabilities		40	62
		1,277	1,264
<b>Net assets</b>		3,532	3,409
<b>Equity attributable to RTL Group shareholders</b>		3,058	2,954
<b>Equity attributable to non-controlling interests</b>		474	455
<b>Equity</b>		3,532	3,409

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
<b>Balance at 1 January 2015</b>	<b>192</b>	<b>(45)</b>	<b>(149)</b>	<b>42</b>	<b>77</b>	<b>2,712</b>	<b>2,829</b>	<b>447</b>	<b>3,276</b>
<b>Total comprehensive income:</b>									
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
<b>Capital transactions with owners:</b>									
Equity-settled transactions, net of tax	–	–	–	–	–	1	1	1	2
(Acquisition)/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
<b>Balance at 31 March 2015</b>	<b>192</b>	<b>(44)</b>	<b>(93)</b>	<b>77</b>	<b>79</b>	<b>2,798</b>	<b>3,009</b>	<b>469</b>	<b>3,478</b>
<b>Balance at 1 January 2016</b>	<b>192</b>	<b>(47)</b>	<b>(117)</b>	<b>48</b>	<b>73</b>	<b>2,805</b>	<b>2,954</b>	<b>455</b>	<b>3,409</b>
<b>Total comprehensive income:</b>									
Profit for the period	–	–	–	–	–	138	138	17	155
Foreign currency translation differences	–	–	(3)	–	–	–	(3)	–	(3)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	(25)	–	–	(25)	–	(25)
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	–	–	–	–	–	(9)	(9)	(1)	(10)
	–	–	(3)	(25)	–	130	102	16	118
<b>Capital transactions with owners:</b>									
Equity-settled transactions, net of tax	–	–	–	–	–	1	1	1	2
Transactions on non-controlling interests without a change in control	–	–	–	–	–	1	1	2	3
	–	–	–	–	–	2	2	3	5
<b>Balance at 31 March 2016</b>	<b>192</b>	<b>(47)</b>	<b>(120)</b>	<b>23</b>	<b>73</b>	<b>2,937</b>	<b>3,058</b>	<b>474</b>	<b>3,532</b>

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

	Notes	2016 €m	2015 €m
<b>Cash flows from operating activities</b>			
Profit before taxes		223	174
Adjustments for:			
– Depreciation and amortisation		53	55
– Value adjustments, impairment and provisions		27	21
– Share-based payments expenses		2	2
– Gain on disposal of assets		(16)	–
– Financial results including net interest expense and share of results of investments accounted for using the equity method		26	18
Use of provisions		(13)	(25)
Working capital changes		68	27
Income taxes paid		(51)	(64)
<b>Net cash from operating activities</b>		<b>319</b>	<b>208</b>
<b>Cash flows from investing activities</b>			
Acquisitions of:			
– Programme and other rights		(34)	(33)
– Subsidiaries, net of cash acquired	6.	(6)	(25)
– Other intangible and tangible assets		(31)	(34)
– Other investments and financial assets		(6)	(9)
		(77)	(101)
Proceeds from the sale of intangible and tangible assets	5.	39	9
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets		–	2
Interest received		1	2
		40	13
<b>Net cash used in investing activities</b>		<b>(37)</b>	<b>(88)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(15)	(16)
Transactions on non-controlling interests		2	6
Acquisition of treasury shares		–	1
Term loan facility due to shareholder	13. 1.	(340)	(203)
Proceeds from loans	13. 2.	25	3
Repayment of loans		(5)	(2)
<b>Net cash used in financing activities</b>		<b>(333)</b>	<b>(211)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(51)</b>	<b>(91)</b>
<b>Cash and cash equivalents and bank overdrafts at beginning of period</b>		<b>444</b>	<b>479</b>
Effect of exchange rate fluctuation on cash held		(4)	21
Effect of cash in disposal group held for sale		–	(3)
<b>Cash and cash equivalents and bank overdrafts at end of period</b>		<b>389</b>	<b>406</b>

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

# Notes to the condensed consolidated interim financial information

## 1. REPORTING ENTITY AND STATEMENT OF COMPLIANCE

RTL Group SA (the “Company”), the parent company, is domiciled and incorporated in Luxembourg. This condensed consolidated interim financial information is presented in accordance with the requirements of IAS 34 Interim Financial Reporting as adopted by the European Union and should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2015.

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

This condensed consolidated interim financial information was approved by the Board of Directors on 10 May 2016.

## 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

- IAS 19 revised, “Defined Benefit Plans: Employee Contributions”<sup>20</sup>;
- Annual improvements 2010–2012. These amendments include changes from the 2010–2012 cycle of the annual improvements project, that affect seven standards: IFRS 2, “Share-based payment”, IFRS 3, “Business Combinations”, IFRS 8, “Operating segments”, IFRS 13, “Fair value measurement”, IAS 7, “Statement of cash flows”, IAS 16, “Property, plant and equipment” and IAS 38, “Intangible assets”. This implies consequential amendments to IFRS 9, “Financial instruments”, IAS 37, “Provisions, contingent liabilities and contingent assets”, and IAS 39, “Financial instruments – Recognition and measurement”<sup>20</sup>;
- Amendments to IAS 1, “Disclosure Initiative”<sup>20</sup>;
- 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. 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 presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. However, there is a rebuttable presumption, that 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 correlated<sup>20</sup>;
- Amendment to IAS 27, “Equity method in separate financial statements”<sup>20</sup>;
- Amendment to IFRS 11, “Joint arrangements” on acquisition of an interest in a joint operation<sup>20</sup>;
- Annual improvements 2012–2014. These amendments include changes from the 2012–2014 cycle of the annual improvements project, that affect four standards: IFRS 5, “Non-current assets held for sale and discontinued operations”, IFRS 7, “Financial instruments: disclosures”, IAS 19, “Employee benefits” and IAS 34, “Interim financial reporting”. This implies consequential amendments to IFRS 1, “First-time adoption of international financial reporting standards”<sup>20</sup>.

<sup>20</sup> 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 2016. The Group has yet to assess the impact of the new standards and amendments:

- 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 today<sup>21</sup>;
- Amendment to IFRS 10, "Consolidated financial statements", IFRS 12 "Disclosure of interests in other entities" 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 2016<sup>21</sup>;
- IFRS 14, "Regulatory deferral accounts" – effective from 1 January 2016<sup>22</sup>;
- 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 quantitative impact anticipated from implementing IFRS 15 is currently being determined. 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 effective for reporting periods beginning on or after 1 January 2018<sup>21</sup>;
- Amendment to IAS 7, "Statement of cash flows", Disclosure initiative – effective from 1 January 2017<sup>21</sup>;
- Amendment to IAS 12, "Income taxes", recognition of deferred tax assets for unrealised losses – effective from 1 January 2017<sup>21</sup>;
- IFRS 16, "Leases" defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments. The quantitative and disclosure impacts anticipated from implementing IFRS 16 are currently being determined. IFRS 16 will be effective for reporting periods beginning on or after 1 January 2019<sup>21</sup>.

### **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 2015.

### **4. FINANCIAL RISK MANAGEMENT**

#### **4.1. Financial risk 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 2015. There have been no changes in the risk management policies and organisation since year end.

<sup>21</sup> These standards and interpretations have not yet been endorsed by the European Union.

<sup>22</sup> The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.

**4. 2. Accounting classifications and fair value hierarchy****4. 2. 1. Financial instruments by category**

Except for the long-term loan arrangement with Bertelsmann SA & Co. KGaA, the fair value of each class of financial assets and liabilities are equivalent to their carrying amount.

The fair value of the 10-year-term facility – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and RTL Group credit spread – amounts to €555 million (December 2015: €548 million).

**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
<b>Assets</b>				
Available-for-sale investments	56	9	–	47
Derivatives used for hedging <sup>23</sup>	75	–	75	–
Derivatives in relation to call options	6	–	–	6
<b>At 31 March 2016</b>	<b>137</b>	<b>9</b>	<b>75</b>	<b>53</b>
<b>Liabilities</b>				
Derivatives used for hedging <sup>24</sup>	39	–	39	–
Liabilities in relation to put options on non-controlling interests	28	–	–	28
<b>At 31 March 2016</b>	<b>67</b>	<b>–</b>	<b>39</b>	<b>28</b>

There were no transfers between Levels 1, 2 and 3 during the three month period ended 31 March 2016.

	Total € m	Level 1 € m	Level 2 € m	Level 3 € m
<b>Assets</b>				
Available-for-sale investments	55	8	–	47
Derivatives used for hedging <sup>25</sup>	102	–	102	–
Derivatives in relation to call options	6	–	–	6
<b>At 31 December 2015</b>	<b>163</b>	<b>8</b>	<b>102</b>	<b>53</b>
<b>Liabilities</b>				
Derivatives used for hedging <sup>26</sup>	22	–	22	–
Liabilities in relation to put options on non-controlling interests	28	–	–	28
<b>At 31 December 2015</b>	<b>50</b>	<b>–</b>	<b>22</b>	<b>28</b>

<sup>23</sup> Out of which €45 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied

<sup>24</sup> Out of which €24 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied

<sup>25</sup> Out of which €50 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied

<sup>26</sup> Out of which €17 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied

There were no transfers between Levels 1, 2 and 3 during the year 2015.

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



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

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

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

Specific valuation techniques used to value financial instruments include:

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

There was no change in the fair value of the level 3 instruments during the three month period ended 31 March 2016.

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

	Financial assets at fair value through profit or loss € m	Assets Available- for-sale investments € m	Total assets € m	Liabilities Liabilities at fair value through profit or loss € m
<b>Balance at 1 January 2015</b>	–	50	<b>50</b>	30
Gains and losses recognised in profit or loss ("Financial results other than interest")	–	–	–	1
Effect of movements in foreign exchange	–	–	–	2
<b>Balance at 31 March 2015</b>	–	50	<b>50</b>	33
<b>Total gains/(losses) for the period included in profit or loss for assets held at the end of the reporting period</b>	–	–	–	<b>1</b>

**5. SEGMENT REPORTING**

	Mediengruppe RTL Deutschland		Groupe M6	
	March 2016 €m	March 2015 €m	March 2016 €m	March 2015 €m
Revenue from external customers	515	484	311	301
Inter-segment revenue	–	1	2	7
<b>Total revenue</b>	<b>515</b>	<b>485</b>	<b>313</b>	<b>308</b>
Profit / (loss) from operating activities	156	143	47	40
Share of results of investments accounted for using the equity method	10	10	–	–
<b>EBIT</b>	<b>166</b>	<b>153</b>	<b>47</b>	<b>40</b>
<b>EBITDA</b>	<b>169</b>	<b>157</b>	<b>90</b>	<b>79</b>
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)	(3)	(4)	(42)	(38)
<b>EBITA</b>	<b>166</b>	<b>153</b>	<b>48</b>	<b>41</b>
Impairment of disposal	–	–	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	–	–	(1)	(1)
<b>EBIT</b>	<b>166</b>	<b>153</b>	<b>47</b>	<b>40</b>
Interest income				
Interest expense				
Financial results other than interest				
Income tax expense				
<b>Profit for the period</b>				

	Mediengruppe RTL Deutschland		Groupe M6	
	March 2016 €m	December 2015 €m	March 2016 €m	December 2015 €m
Segment assets (assets classified as held for sale and investments accounted for using the equity method excluded)	1,585	1,540	1,525	1,508
Investments accounted for using the equity method	58	75	7	6
Assets classified as held for sale	–	–	–	–
<b>Segment assets</b>	<b>1,643</b>	<b>1,615</b>	<b>1,532</b>	<b>1,514</b>
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	1,026	999	582	572
<b>Segment liabilities</b>	<b>1,026</b>	<b>999</b>	<b>582</b>	<b>572</b>
<b>Invested capital</b>	<b>617</b>	<b>616</b>	<b>950</b>	<b>942</b>
<b>Segment assets</b>				
Deferred tax assets				
Income tax receivable				
Other assets				
Cash and cash equivalents				
<b>Total assets</b>				
<b>Segment liabilities</b>				
Deferred tax liabilities				
Income tax payable				
Other liabilities				
<b>Total liabilities</b>				

Notes to the condensed consolidated interim financial information

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
March 2016 €m	March 2015 €m	March 2016 €m	March 2015 €m	March 2016 €m	March 2015 €m	March 2016 €m	March 2015 €m	March 2016 €m	March 2015 €m	March 2016 €m	March 2015 €m	March 2016 €m	March 2015 €m
308	253	109	98	51	50	38	34	100	88	-	-	1,432	1,308
32	42	-	-	-	-	-	1	10	9	(44)	(60)	-	-
340	295	109	98	51	50	38	35	110	97	(44)	(60)	1,432	1,308
14	4	1	(3)	10	11	2	(1)	(19)	(28)	-	(2)	211	164
(1)	(1)	-	-	-	-	-	-	5	5	-	-	14	14
13	3	1	(3)	10	11	2	(1)	(14)	(23)	-	(2)	225	178
19	7	3	(1)	11	12	3	-	(7)	(5)	-	(2)	288	247
(6)	(4)	(2)	(2)	(1)	(1)	(1)	(1)	(4)	(3)	-	-	(59)	(53)
13	3	1	(3)	10	11	2	(1)	(11)	(8)	-	(2)	229	194
-	-	-	-	-	-	-	-	-	(14)	-	-	-	(14)
-	-	-	-	-	-	-	-	(3)	(1)	-	-	(4)	(2)
13	3	1	(3)	10	11	2	(1)	(14)	(23)	-	(2)	225	178
												1	2
												(7)	(7)
												4	1
												(68)	(53)
												155	121

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
March 2016 €m	December 2015 €m	March 2016 €m	December 2015 €m	March 2016 €m	December 2015 €m	March 2016 €m	December 2015 €m	March 2016 <sup>27</sup> €m	December 2015 €m	March 2016 €m	December 2015 €m	March 2016 €m	December 2015 €m
1,824	1,903	376	423	170	168	152	165	673	715	(117)	(120)	6,188	6,302
15	17	7	7	-	-	-	-	298	295	-	-	385	400
-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,839	1,920	383	430	170	168	152	165	971	1,010	(117)	(120)	6,573	6,702
505	539	139	153	104	102	56	63	359	384	(113)	(116)	2,658	2,696
505	539	139	153	104	102	56	63	359	384	(113)	(116)	2,658	2,696
1,334	1,381	244	277	66	66	96	102	612	626	(4)	(4)	3,915	4,006
												6,573	6,702
												353	370
												54	34
												707	642
												395	449
												8,082	8,197
												2,658	2,696
												40	62
												45	45
												1,807	1,985
												4,550	4,788

27 The impact of RTL City project on the invested capital of the Group is €90 million (€117 million at 31 December 2015). The decrease is mainly due to a cash inflow of €32 million related to disposals recognised in previous years

## 6. ACQUISITIONS

The only gain of control in the period relates to Abot Hameiri Communications Ltd. Had this business combination been at the beginning of the year, the revenue and the profit attributable to RTL Group would not have materially changed.

### Abot Hameiri

On 11 January 2016, FremantleMedia Netherlands BV ("FremantleMedia") acquired 51 per cent of Abot Hameiri Communications Ltd ("AH"), an Israeli content development and TV production company, which primarily focuses on the development and production of both established and original entertainment, scripted drama and factual programmes. The acquisition is in line with the growth strategy of strengthening the creative pipeline and entering new markets. The transaction qualifies as a business combination since RTL Group gained the control of AH. The purchase consideration amounts of €7 million, net of cash acquired, and includes a top-up adjustment based on the level of profitability realised in 2015, estimated at €1 million as at 31 March 2016. As a result, a provisional goodwill of €8 million has been recognised. The goodwill will not be tax deductible. AH is allocated to the FremantleMedia cash generating unit.

FremantleMedia holds an option on the remaining 49 per cent of the share capital. The strike price of the option, exercisable in 2021, is based on a variable component. The consideration for 100 per cent of AH is capped at €46 million. If RTL Group does not exercise the option, the non-controlling shareholders have a drag-along right and a call option.

Transaction-related costs of €0.2 million, mainly consisting of legal fees and due diligence costs, are reported in "Other operating expenses".

	Fair value at date of gain of control €m
Cash and cash equivalents	1
Current programme rights	7
Accounts receivable and other financial assets	1
Accounts payable	(9)
<b>Net assets acquired</b>	<b>–</b>
Goodwill	8
<b>Total purchase consideration</b>	<b>8</b>
Cash and cash equivalents in operations acquired	(1)
Contingent consideration	(1)
<b>Cash outflow on acquisition</b>	<b>6</b>

**March 2015 (updated at 31 March 2016)****Oxygem**

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

The purchase consideration amounted to €18 million, net of cash acquired and, in addition, the reimbursement of a loan previously granted to Oxygem by the seller (€6 million). The fair value of the brand names, subscriber base and technology was measured for €8 million, of which €7 million for the brand names. A corresponding deferred tax was recognised for €3 million. As a result, a goodwill of €17 million was recognised. The latter was attributable mainly to the synergies expected and to the skills and expertise of the Oxygem workforce. The goodwill is not tax deductible. Oxygem is allocated to the Groupe M6 cash generating unit.

The transaction-related costs were €0.2 million reported in "Operating expenses".

	Fair value at date of gain of control €m
Cash and cash equivalents	2
Other intangible assets	8
Accounts receivable and other financial assets	7
Accounts payable	(3)
Employee benefit obligations	(2)
Loans	(7)
Net deferred tax liabilities	(2)
<b>Net assets acquired</b>	<b>3</b>
Goodwill	17
<b>Total purchase consideration</b>	<b>20</b>
Loan previously granted by the seller	6
Cash and cash equivalents in operations acquired	(2)
<b>Cash outflow on acquisition</b>	<b>24</b>

**Other acquisitions**

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, created a leading position in the Dutch online restaurant booking market. The transaction qualified 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 was € nil million. Dinnersite BV has been merged into Couverts Reserveren NV in 2015.

RTL Group, through FremantleMedia North America Inc, incorporated on 13 March 2015 the new company Big Balls LLC, held at 95 per cent, in order to launch a digital broadcasting network ("digi-net") in the US called Buzzr, scheduling FremantleMedia's large library of classic game shows.

## 7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Main changes in the Group's ownership interest in associates

#### March 2015 (updated at 31 March 2016)

On 21 January 2015, FremantleMedia Ltd ("FremantleMedia") acquired a 25 per cent non-controlling stake in Corona Television Ltd ("Corona"), a newly created TV production company based in the UK. The related carrying amount was € nil million at 31 December 2015. The deal, which gave FremantleMedia a first look option on all Corona output, furthered FremantleMedia's ambition to build its scripted pipeline. In addition, FremantleMedia granted a loan facility of €1 million. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2018 and 2020. The strike price of the options is based on a variable component. The fair value of the related derivatives was € nil million at 31 December 2015 and remained unchanged at 31 March 2016.

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

#### March 2016

On 15 January 2016, RTL Nederland Ventures BV ("RTL Nederland") acquired 32.6 per cent of Heilzaam BV ("Heilzaam"), operating eHealth information websites. The purchase consideration of €1 million is mainly contributed to the company. The transaction qualifies as a joint arrangement as RTL Nederland jointly controls the company. The related carrying amount is €1 million at 31 March 2016.

#### March 2015

On 27 January 2015, RTL Nederland BV ("RTL NL") entered into the joint venture 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, who hold 45 per cent, had been granted a put option. RTL NL holds a call option on the shares held by the other shareholders. The strike price of the options is based on a variable component. The fair value of the related derivatives was € nil million at 31 December 2015 and remained unchanged at 31 March 2016.

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

RTL Group had 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 had agreed with Sportfive 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, once approved by the board of Sportfive on 30 April 2015, was subject to clearance by the competition authority. Accordingly, UFA Sports was 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. An impairment loss of €14 million had been recognised on the disposal group in the first quarter of 2015.

There was no cumulative income or expenses included in OCI relating to the disposal group.

## 9. SEASONALITY OF OPERATIONS

RTL Group's revenue is generally lower in the summer months due to a reduction in advertising spend. This tendency is expected to be more exaggerated than in 2015 due to the summer sports events, the 2016 Summer Olympics in Rio and the UEFA European Football Championships, with advertisers front loading their bookings to avoid the sports calendar. The Group traditionally generates a higher level of advertising revenue in the run up to the Christmas period and this is still expected to hold true for 2016.

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 substantially different for 2016 although the timing of the delivery of certain high value drama productions could have an impact on this outcome.

## 10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €138 million (2015: €106 million) and a weighted average number of ordinary shares outstanding during the period of 153,582,808 (March 2015: 153,610,630) calculated as follows:

	March 2016	March 2015
Profit attributable to RTL Group shareholders (in € million)	138	106
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	(36,045)	(8,223)
Weighted average number of ordinary shares	153,582,808	153,610,630
Basic earnings per share (in €)	0.90	0.69
Diluted earnings per share (in €)	0.90	0.69

## 11. TREASURY SHARES

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

Following the shareholders' resolution and in order to foster the liquidity and regular trading of its shares that are listed on the stock market in Brussels and Luxembourg and the stability of the price of its shares, the Company entered on 28 April 2014 into a liquidity agreement (the "Liquidity Agreement") with Kepler Capital Markets SA (the "Liquidity Provider"). During the period ended 31 March 2016, under the Liquidity Agreement, the Liquidity Provider has:

- purchased 169,417 shares at an average price of €74.16; and
- sold 169,265 shares at an average price of €74.46, in the name and on behalf of the Company.

At 31 March 2016, a total of 35,571 (December 2015: 35,419) RTL Group shares are held by the Company and €7.7 million (December 2015: €7.7 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

#### March 2016

- 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.

#### March 2015

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

## 13. RELATED PARTY TRANSACTIONS

### 13.1. Transactions with shareholders

#### Financing

##### Deposits Bertelsmann SE & Co. KGaA

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

- Interest rates are based on an overnight basis on EONIA plus 10 basis points; or on a one to six month basis, EURIBOR plus 10 basis points;
- Bertelsmann SE & Co. KGaA grants to RTL Group as security for all payments due by Bertelsmann SE & Co. KGaA a pledge on:
  - All shares of its wholly owned French subsidiary Média Communication SAS;
  - All shares of its wholly owned Spanish subsidiary Media Finance Holding SL;
  - 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 2016 and 31 December 2015, RTL Group SA did not hold any deposit with Bertelsmann SE & Co. KGaA. The interest income for the period is € nil million (March 2015: € nil million).

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 2016 and December 2015, RTL Group Deutschland GmbH did not hold any deposit with Bertelsmann SE & Co. KGaA. The interest income for the period is € nil million (March 2015: € nil million).



RTL Group SA has additionally entered into a Treasury Agreement in North America with Bertelsmann Inc. Interest rates are based on US Libor plus 10 basis points. At 31 March 2016, the balance of the cash pooling receivable and payable amounts to € nil million (December 2015: € nil million). The interest income/expense for the period is insignificant (March 2015: 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 SA has the right to early repay the loan subject to break costs. At 31 March 2016, the term loan balance amounts to €500 million (December 2015: €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 2016, the total of revolving and swingline loan amounts to €202 million (December 2015: €542 million).

The interest expense for the period amounts to €4 million (March 2015: €4 million). The commitment fee charge for the period amounts to €0.2 million (March 2015 restated: €0.2 million).

#### Tax

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

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

Through these agreements, as from 1 January 2008, Bertelsmann SE & Co. KGaA and the RGD sub-group of RTL Group are treated as a single entity for German income tax purposes.

As the PLP Agreement does not give any authority to BCH to instruct or control RGD, it affects neither RTL Group nor RGD's ability to manage their business, including their responsibility to optimise their tax structures as they deem fit. After six years, both PLP and Compensation Agreements are renewable on a yearly basis. RGD and CLT-UFA SA have the right to request the early termination of the PLP and Compensation Agreements under certain conditions.

On 15 May 2013, the Board of Directors of RTL Group agreed to the amendment of the Compensation Agreement in light of the consumption of the trade tax and corporate tax losses at the level of Bertelsmann SE and Co. KGaA and of the expected level of indebtedness of RTL Group in the future. The PLP Agreement was slightly amended in 2014.

In the absence of specific guidance in IFRS, RTL Group has elected to recognise current income taxes related to the RGD sub-group based on the amounts payable to Bertelsmann SE & Co. KGaA and BCH as a result of the PLP and Compensation Agreements described above. Deferred income taxes continue to be recognised, based upon the enacted tax rate, in the consolidated financial statements based on the amounts expected to be settled by the Group in the future. The Commission, being economically and contractually closely related to the Compensation, is accounted for as a reduction of the tax due under the Agreements.

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

At 31 March 2016, the balance payable to BCH amounts to €710 million (December 2015: €583 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €570 million (December 2015: €472 million).

For the period ended 31 March 2016, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €36 million (March 2015: €26 million). The Commission amounts to €7 million (March 2015: €10 million). The brought forward income tax losses available for offset were significantly consumed at 31 December 2015.

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of €1 million (March 2015: €1 million).

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

### **13. 2. Main transaction with investments accounted for using the equity method**

At 31 March 2016, RTL Group owed a cash pooling payable to RTL Disney Fernsehen GmbH & Co. KG for an amount of €22 million (December 2015: €5 million).

## **14. SUBSEQUENT EVENTS**

On 11 March 2016, RTL Group Vermögensverwaltungs GmbH ("RTL") entered into an agreement to acquire 93.75 per cent of smartclip Holding AG and five of its subsidiaries operating in Germany, Italy, the Netherlands and Sweden ("Smartclip"). Smartclip bundles the online video advertising inventory of 700 publishers worldwide, and manages the integration and serving of video advertising to all internet-connected screens. As a strong sales house and technological innovator, Smartclip also creates solutions for Smart-TV and multiscreen advertising. Smartclip complements RTL Group's investments in digital advertising sales. The German cartel office approved the transaction on 22 April 2016. The transaction qualifies as a business combination since RTL will gain control of Smartclip. The purchase consideration, which amounts to €47 million payable in cash, is determined on a cash and debt free basis. The remaining 6.25 per cent are subject to put and call options exercisable in 2018. The strike price of the put option, based on a variable component and capped to €200 million on a 100 per cent basis, is estimated at €4 million.

On 14 April, RTL Group exercised the option to acquire an additional 24.5 per cent interest, for €7 million, in Divimove GmbH bringing the Group's shareholding to 75.5 per cent. RTL Group will continue to have a significant influence in Divimove GmbH which will continue to be accounted for using the equity method.

On 25 April 2016, FremantleMedia Ltd entered with a 25 per cent stake for an amount of GBP 0.5 million, into the share capital of Dr Pluto Films Ltd ("Pluto"), a newly created production company that will develop concepts across all genres and platforms. In addition, FremantleMedia granted a loan facility of GBP 0.5 million. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2021 and 2023. The strike price of the options is based on a variable component. If FremantleMedia does not exercise the call options, the non-controlling shareholders will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain conditions, or an option to acquire the shares held by the Group or drag FremantleMedia shares to a third party. FremantleMedia have significant influence in Pluto. The company will be accounted for using the equity method.

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## Financial Calendar

25 May 2016 ————— Extraordinary General Meeting of the Shareholders

25 August 2016 ————— Interim Results 2016

10 November 2016 ————— Results: January to September 2016

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